

## **EXHIBIT 17**

1 UNITED STATES BANKRUPTCY COURT  
2 SOUTHERN DISTRICT OF TEXAS  
3 HOUSTON DIVISION

3 ) CASE NO: 23-34815  
4 GALLERIA 2425 OWNER, LLC, ) Houston, Texas  
5 )  
6 Debtor. ) Friday, September 6, 2024  
7 ) 9:00 AM to 11:37 AM  
8 -----)  
9 TRIAL

10 BEFORE THE HONORABLE JEFFREY P. NORMAN  
11 UNITED STATES BANKRUPTCY JUDGE

12 APPEARANCES:

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1                   HOUSTON, TEXAS; FRIDAY, SEPTEMBER 6, 2024; 9:00 AM

2                                   (Call to Order)

3                   THE COURT: All right. Good morning. It is 9  
4 a.m., and we're on the record for Friday, September the 6th,  
5 2024. There are a number of matters set at 9 a.m., but they  
6 all revolve around Galleria 2425 Owner LLC, 23-34815. Let  
7 me take appearances of counsel please.

8                   MR. SHANNON: Good morning, Your Honor. RJ  
9 Shannon on behalf of Christopher Murray, formerly the  
10 Chapter 11 trustee and now the trustee of the liquidated  
11 trust pursuant to the plan.

12                   THE COURT: Thank you, Mr. Shannon.

13                   MR. BURKS: Good morning, Judge. My name is Gray  
14 Burks, B-U-R-K-S, on behalf of the claimants on the various  
15 set of claims and objections.

16                   THE COURT: All right. Thanks, Mr. Burks. Mr.  
17 Shannon, I'm -- oh, other parties? Come on. Come to the  
18 podium please. That's what it's there for.

19                   MR. POPE: Good morning, Your Honor. James Pope  
20 here on behalf of Jetall Companies.

21                   THE COURT: Thank you, Mr. Pope.

22                   MR. POPE: Thank you.

23                   MR. TROOP: Good morning, Your Honor. On behalf  
24 of National Bank of Kuwait Andrew Troop, Charles Conrad, and  
25 Patrick Fitzmaurice. Nice new clock.

1 THE COURT: Thank you. It's specifically bought  
2 by me. The government did not pay for it. It is an atomic  
3 clock so it registers exactly the time because I am always  
4 punctual. So you could rely on that clock. I took the  
5 other clocks down. They were horrible. But it's the exact  
6 time. You could look at your Apple watch. It'll match up.  
7 It connects to the atomic clock every night. It's always  
8 going to be right. All right. Thank you, sir. Thank you  
9 for noticing.

10 MR. TROOP: And for those of you who weren't here,  
11 I believe on the date of the confirmation hearing your other  
12 clock broke at the end of the day, so --

13 THE COURT: At \$65 from Amazon, it's the best  
14 purchase I've ever made. Other appearances?

15 MR. TANG: Your Honor, I'll just come up here.  
16 Good morning, Your Honor. How are you? David Tang. We  
17 were subpoenaed. "We" being Azeemeh Zaheer. She was  
18 subpoenaed to be here today, so just wanted to announce that  
19 we're here for a subpoena, Your Honor.

20 THE COURT: Thank you.

21 MR. TANG: Thank you, Your Honor.

22 THE COURT: Mr. Shannon, I'm assuming that you are  
23 ready to go?

24 MR. SHANNON: Yes, Your Honor.

25 THE COURT: Okay. So let me address I guess ECF

1 705, which Mr. Burks filed at 10:05 last night and I saw for  
2 the first time this morning about 6:00. I didn't see your  
3 response until I got to the office. But I'm going to deny  
4 ECF Number 705, but I think I need to at least read on the  
5 record why I'm going to do that. So you can have a seat,  
6 Mr. Shannon. I'll read onto the record why I'm going to  
7 deny his motion and then we can proceed in whatever order  
8 you see fit, all right?

9 Mr. Burks, when I read your motion about 6:00 this  
10 morning, I was -- a couple of things came to mind right off  
11 the bat. The first is that this is the second request for a  
12 continuance and that you agreed to the date and the time of  
13 the hearings today. The second thing is what could you have  
14 not known before 10:05 p.m. last night when you filed this  
15 motion? If Mr. Choudhri was sick, he was sick well before  
16 10:05 p.m., less than 11 hours before this hearing.

17 You're a smart guy. You're aware of the plan.  
18 You objected to it. You have appealed the confirmation  
19 order. So the fact that you may be surprised by its terms  
20 and how I would rule is just beyond me, okay? All right? I  
21 expect, Mr. Burks, you to vigorously represent your client,  
22 okay? What I don't expect after I read the response from  
23 Mr. Shannon is for you to take inconsistent legal positions,  
24 okay?

25 And I say this with all due respect, and I really

1 do mean it with all due respect because I've known you for a  
2 long time, okay? If you want to damage your reputation with  
3 the Court, feel free to do so, but I've got a long memory  
4 and I don't think it suits you. I really don't, okay? So  
5 take that as a warning. Take that as advice. But you're  
6 going to appear in front of me for a long period of time.  
7 And if you want to make arguments that are rational and  
8 reasonable, I want to hear them. But if you want to make  
9 arguments that aren't rational and aren't rational and  
10 aren't reasonable, that doesn't suit you. It really  
11 doesn't, okay? So the motion's denied. All right, Mr.  
12 Shannon. How do you want to proceed?

13 MR. SHANNON: Thank you, Your Honor. I think we  
14 would start with the trustee's objection to Claim Number 7,  
15 and that is Docket Number 402.

16 THE COURT: All right.

17 MR. SHANNON: It's the objection.

18 THE COURT: So you have the burden, so I'll let  
19 you basically -- if you want to make your opening argument,  
20 then I'll let anyone respond to it who wants to respond.

21 MR. SHANNON: Yes, Your Honor. And if I can share  
22 the screen...

23 THE COURT: Sure. I'll give it to the podium. It  
24 should be connected now.

25 MR. SHANNON: Your Honor, I'll just kind of start

1 with the -- what the relevant filings are here. Proof of  
2 Claim Number 7 was filed timely. It is by 2425 WL LLC.  
3 Subsequently to the trustee's objection, there was an  
4 amended proof of claim filed that did add some additional  
5 information. There's no objection to that additional  
6 information that was provided. Essentially what was -- the  
7 additional information was a -- was a copy of the note and  
8 was a settlement statement.

9 Again, the trustee objected. That is at ECF  
10 Number 402. 2425 WL responded to the trustee's objection.  
11 That's at ECF 595. And the trustee filed an omnibus reply,  
12 and that's at 6 -- ECF Number 632. The two witness and  
13 exhibit lists that are active for this claim objection are  
14 the trustee's witness and exhibit list at ECF Number 692 and  
15 2425 WL's witness and exhibit list at ECF Number 637. That  
16 one was filed back in (indiscernible).

17 The asserted basis of Claim Number 7 is a  
18 purported note that was dated May 23, 2018. It's also  
19 secured by a deed of trust that allegedly of the same date.  
20 Those two things reference each other, and particularly the  
21 note references the deed of trust. According to the  
22 response, those are allegedly part of the same May 23, 2018  
23 transaction that you've heard a lot about in this case.

24 There was -- as part of that May 23, 2018  
25 transaction, there was property sold from the claimant here



1 in 2425 WL to the debtor. There was a \$51.6 million loaned  
2 by MBK. There was also \$16.1 million loaned by Naissance  
3 Galleria as a mezzanine financing to the sole member of the  
4 debtor. And the last part of that transaction was that  
5 there was \$13.7 million of cash that went to the claimant  
6 2425 WL. So that's all part of that transaction that  
7 everyone agrees to.

8 Really what the trustee says is this note was not  
9 part of it. This note did not exist at that time. It was  
10 not part of that transaction. Not only does the response  
11 say that this claim and this note were part of that  
12 transaction. We have that from Mr. Choudhri's testimony at  
13 the January 31 hearing before this court.

14 So the trustee's objection really breaks down into  
15 three different parts. The first objection is that the  
16 purported note is unenforceable because there was no  
17 consideration provided. What we're going to see in  
18 evidence, Judge, there's first going to be evidence by the  
19 documents. There's the settlement statement for that sale  
20 of that property and the related financing that Mr. Choudhri  
21 pointed to back on May -- or back on January 31.

22 He pointed to that and said that's where it is.  
23 It's shown there. I think the evidence is going to show it  
24 does not show that. The other transaction documents from  
25 that May 23, 2018 transaction also indicate that there is no

1 other debt. Now that's circumstantial evidence, Judge.

2 It's not necessarily binding, but it shows that at the time  
3 the parties did not have -- did not contemplate this as part  
4 of that transaction.

5 The deed of trust that is attached to the proof of  
6 claim, and we have it as a separate exhibit as well that I  
7 believe will be admitted, also says it's a (indiscernible)  
8 date. I think when we look at the document that you're  
9 going to see that that document, that deed of trust was  
10 created in 2021.

11 The next groups of documents are going to show is  
12 that the -- every other document that was executed in  
13 connection with that May 23, 2018 transaction was signed  
14 differently than this purported note and this purported deed  
15 of trust. They were all signed by Azeemeh Zaheer and they  
16 are documents that establish why that was the case. The  
17 note and deed of trust that are behind Proof of Claim Number  
18 7 were signed by Mr. Choudhri.

19 The other thing the documents are going to show is  
20 that Mr. Choudhri did not have any authority to sign on  
21 behalf of the debtor until 2021. And I say that we're going  
22 to get these documents in, and most of them have been  
23 admitted to. The trustee served written discovery. There  
24 was no response. There were requests for admissions, copies  
25 of the documents were attached, and again, there was no

1 response to those documents. The genuineness of them has  
2 been admitted, and some questions about those documents have  
3 been admitted.

4 In addition to the documents -- and that's what we  
5 were going to go forward with and -- on July 24th, since  
6 then the trustee's also found some witnesses that can speak  
7 to the existence of that note prior to -- I believe it's  
8 going to be October of 2020. We know the testimony's going  
9 to say that wasn't there beforehand, wasn't there on that  
10 date. It was not there in 2018. Again, I think you're  
11 going to hear testimony to that effect.

12 The second basis for the trustee's objection is  
13 that even if we're wrong about that, even if this document  
14 was created in 2018, even if that is the case and it was  
15 just secret and it was just hidden and no one knew about it  
16 and it wasn't in those documents, it would still be  
17 unenforceable because Mr. Choudhri did not have authority to  
18 sign on behalf of the debtor. Again, it's going to be  
19 established by documents, and it's going to be established  
20 by testimony, in particular the documents that deal with the  
21 corporate authority of the debtor.

22 The third basis for the trustee's objection is  
23 that the purported note is unenforceable because the  
24 doctrine of quasi estoppel should apply and should prevent  
25 2425 WL from even being able to assert that the basis of

1 this note was a loan in connection with that May 23, 2018  
2 transaction. Again, it's going to be shown in the  
3 documents, and I think you're going to get some of that from  
4 the testimony of Ms. Zaheer. The documents, again the  
5 settlement statement, what was said in there, and that was  
6 executed by 2425 WL.

7           You're going to see that it was important to the  
8 other lenders in this transaction that they did -- that the  
9 other debt that was part of that transaction mattered to  
10 them, and that's going to be shown in those documents. It's  
11 going to be shown in an internal NBK loan memo that Mr.  
12 Choudhri pointed to back in January 31 of this year for this  
13 court. He pointed to that and said that describes the  
14 transaction. When you look at that document that Mr.  
15 Choudhri pointed to back then, it doesn't have this note  
16 that 2425 WL is now asserting is the basis of their claim.

17           And the same thing with the mezzanine loan  
18 agreement. There were again limitations on what was allowed  
19 to be -- what debt was allowed to be, what liens were  
20 allowed to be on the property. So those are the bases of  
21 the objection, Your Honor.

22           I do want to say that one of the things that  
23 puzzled me in this was why. Why any of this? And I think  
24 we've kind of -- this is what I think the evidence is going  
25 to show. It's not entirely the basis of the objection, but

1 I think it's going to be what the evidence shows. It's not  
2 the seller credit in the settlement statement, which is  
3 where -- is what was pointed to as the basis of the claim,  
4 is that was Mr. Choudhri's equity in the property. Went  
5 through this transaction, that was the equity.

6 What happened was back in 2020, two years  
7 thereabouts after the transaction where the debtor acquired  
8 the property from the claimant here, there was the main  
9 tenant of the building Stage Stores and its affiliated  
10 Specialty Retailers, they filed bankruptcy and they rejected  
11 the lease with the property. That caused all kinds of  
12 problems for the debtor.

13 I don't know if it's in evidence in front of you  
14 up until now. It will likely be today. But it caused the  
15 debtor not to be able to service its debt to NDK, to not be  
16 able to make its payments, and it reduced the value of the  
17 property. After that I think what the evidence is going to  
18 show that Mr. Choudhri sought to fabricate obligations that  
19 were secured by junior liens. I think the natural inference  
20 from that evidence will be that they did that to hinder  
21 efforts to obtain the property by NBK and by other parties.

22 Ms. Zaheer was pressured to do that, and she  
23 refused to participate. Later in 2021 Gallery West Loop  
24 Investments 2, which is up the chain of the corporate  
25 ownership of the debtor, that became the managing member of

1 the sole member of the debtor. So it became in control.

2 And Mr. Choudhri controlled that entity.

3 After that happened, that's when this note, this  
4 purported note underlying the claim was created. It's when  
5 the deed of trust was created after they had these -- this  
6 dispute brewing with NBK. Later in 2021 the claimant here  
7 2425 WL sought to foreclose on that second lien, the one  
8 that was created by the deed of trust, and they even caused  
9 a secret unrecorded trustee's deed to issue in that year.

10 While that litigation with NBK was getting  
11 underway, it was never reported, but that was filed. And I  
12 think the goal of all of that was to delay and tie up the  
13 property in the event that NBK was actually successful in  
14 foreclosing. They weren't. But also to gain leverage in  
15 the bankruptcy.

16 Based on all of that, judge, and based on the  
17 arguments, Claim Number 7 should be disallowed. This  
18 purported note that underlies the claim did not create and  
19 doesn't reflect an enforceable obligation against the  
20 debtor. This specific provision of the bankruptcy code that  
21 it should be disallowed under is Section 502(b)(1), and that  
22 says that a claim should be disallowed if it is  
23 unenforceable against the debtor and property of the debtor.

24 I'll also say, Judge, I think it kind of changes a  
25 lot of the character of what happened in this case, but

1 that's not really an issue for today. The issue for today  
2 is, is that note an enforceable obligation. Thank you, Your  
3 Honor.

4 THE COURT: Thank you. Mr. Baker?

5 MR. BURKS: Your Honor, although I disagree with  
6 the recitation of what this case is about, and although I  
7 take to great heart and I understand exactly what the Court  
8 is saying, the bottom line is that we can't defend this  
9 objection to claim (indiscernible). We can't.

10 It's true I took the position on July 25 that the  
11 complaint was not binding, it was subject to appeal, and it  
12 was not -- the effective date had not occurred. There were  
13 contingency on the sale whether or not it was actually  
14 (indiscernible) or not, and also, was not substantively  
15 consummated. But things have changed in the last five  
16 weeks, and I cannot defend this objection to claim, Judge.

17 Number one, the sale completely changed. It was  
18 not sold to the primary buyer. It was sold to the backup  
19 buyer. That changed what effective provisions of the plan.  
20 You see the notice of sale. That's number one. Number two  
21 you see NBK's notice of effective consummation and effective  
22 date. And number three, you see a plan provision that says  
23 that this claim is cancelled and extinguished.

24 I'm standing here in -- I'm standing in front of  
25 you listening to the argument on a proof of claim that's

1     been cancelled and extinguished. I can't defend that  
2     because it's cancelled and extinguished. I disagree with  
3     the recitations. I disagree with the conclusions. I wish  
4     my client was here, but the bottom line is whether he's sick  
5     or not, whether the adversary proceeding should be -- have  
6     been invoked, I'm stuck with the plan that has cancelled and  
7     extinguished by client's claim.

8             Judge, you said something about zealous  
9     representation. I've read the case law on the effective --  
10    binding effect of a plan that's subject to appeal, and I was  
11    hoping that I could make a distinction legally between those  
12    things in a plan that are subject to statutory limitations  
13    such as cash collateral, such as credit, and claims  
14    allowance. But from what I think about it, and frankly your  
15    ruling yesterday, I told him -- I got on the phone at 3:30  
16    with Mr. Shannon and said I'm -- my claims are extinguished.  
17    He said we're going forward anyhow.

18            I said, well, do you want to think about it? Do  
19    you want to talk about it? Do you want to continue the  
20    hearing? No. Okay. But I'm standing in front of you with  
21    a cancelled and extinguished claim. So I'm not sure what  
22    I'm supposed to do in defense of my client when his claim  
23    has been cancelled and extinguished.

24            Remember what the objection's saying. The prayer  
25    for -- the requested relief is disallow the claim in full.



1 It's been cancelled and extinguished. I don't know what  
2 justiciable issue you have in front of you now. Is the  
3 going to be reversed (indiscernible)? I don't know. I hope  
4 so. There are a lot of different points. There's certainly  
5 affirmed on some issues and reversed on the liability issue,  
6 frankly. The release issue, the gatekeeper issue, but with  
7 respect to the sale no. With respect to the disallowance or  
8 cancelling the claim there are no.

9 But judge I have an obligation to tell you that  
10 circumstances have changed. I didn't flip-flop. I flipped  
11 on what the facts were a month ago and I (indiscernible) --

12 THE COURT: My point to you, Mr. Burks, was you  
13 knew this five weeks ago. You've already admitted you knew  
14 it five weeks ago, yet you file a motion at 10:05 p.m. less  
15 than 11 hours before the hearing. That's what I don't  
16 understand. Okay? And there's no excuse for that. Okay?  
17 You can't make one up. All right?

18 MR. BURKS: I'm not trying to excuse that.

19 THE COURT: Okay.

20 MR. BURKS: I'm not trying to excuse that. I am  
21 trying to tell you that I stand before you unable to defend  
22 my client because the claims are cancelled and extinguished.

23 THE COURT: All right. Thank you.

24 MR. BURKS: That's all I can --

25 THE COURT: All right.

1 MR. BURKS: That's all I can tell you, Judge.

2 THE COURT: All right. Thank you. Mr. Shannon,  
3 you may call your first witness.

4 MR. SHANNON: Thank you, Your Honor. And I'll  
5 start, Your Honor, by seeking the admission of some exhibits  
6 that have been at least admitted as parts through discovery.  
7 I'll seek the admission of Exhibits 1 -- and these are at  
8 Docket Number 692, 692-1 through 692-14.

9 MAN: (Indiscernible).

10 THE COURT: Mr. Burks, do you have any objection  
11 to the entry of 692-1 through 692-14? And if you need a few  
12 minutes to review them you can.

13 MR. SHANNON: Okay. And then --

14 MR. BURKS: (Indiscernible).

15 THE COURT: All right. Go ahead, Mr. Burks.

16 MR. BURKS: Your Honor, I do not object to the  
17 admission of these exhibits as far as providing the  
18 testimony that he -- counsel wants to elicit from them.  
19 Obviously I reserve objections to that. I do want to tell  
20 this court that we've got a witness that I am totally  
21 unprepared. And without knowing what these witnesses will  
22 testify to, I am totally unprepared.

23 I'm being told that we do have a justiciable issue  
24 in front of you. I thought you did not. So I'll do the  
25 best I can on cross-examination and on objections, but I am

1 totally uncertain why we're going forward with an  
2 evidentiary hearing where you don't have an issue of  
3 controversy in front of you.

4 THE COURT: All right. Thank you. All right.

5 MR. BURKS: Thank you.

6 THE COURT: Exhibits 1 through 14 are admitted.

7 (Exhibits ECF 692-1 through ECF 692-14 admitted  
8 into evidence)

9 MR. SHANNON: Yes, Your Honor. And we had just  
10 talked about 16 -- again, Docket Number 692-16 through 27 as  
11 well.

12 THE COURT: So are there any objections to those,  
13 Mr. Burks?

14 MR. BURKS: No objection that I can make today,  
15 Judge.

16 THE COURT: All right. Then they're admitted.  
17 Thank you.

18 (Exhibits ECF 692-16 through ECF 692-27 admitted  
19 into evidence)

20 MR. SHANNON: Thank you, Your Honor. I'd like to  
21 call Azeemeh Zaheer.

22 THE COURT: Ms. Zaheer, do you want to come  
23 forward? If you come to the podium, I'll swear you in.  
24 Once I've sworn you in you can be seated in the witness  
25 stand. Please come to this microphone right here, ma'am.

1 Please raise your right hand to be sworn. Do you swear or  
2 affirm to tell the truth, the whole truth, and nothing but  
3 the truth so help you God?

4 THE WITNESS: Yes.

5 THE COURT: You need to speak up, ma'am.

6 THE WITNESS: Yes.

7 THE COURT: Okay. Come on up. Be seated. You're  
8 soft-spoken. Make sure you speak into the microphone. Mr.  
9 Shannon, you may proceed.

10 MR. BURKS: Your Honor, I object to the calling of  
11 this witness. There is -- Your Honor, I have two objections  
12 to the calling of this witness. The first one only is on  
13 the July 24 witness and exhibit list she was not included.  
14 I had no notice that she was going to be called as a witness  
15 until two days ago.

16 I'm talking about not being able to prepare for  
17 what a witness may or may not say. I had no idea that she  
18 was being called even though counsel had since, well, before  
19 July 24th and all that time leading up to that. I have a  
20 second objection, but I'll wait for your ruling on that  
21 objection, Your Honor.

22 THE COURT: I'll overrule that objection. Go  
23 ahead. Make your second objection.

24 MR. BURKS: The testimony which she's about to be  
25 asked to elicit would go to what Mr. Ali Choudhri knew or

1 did or didn't do and what his intent was. And there --

2 THE COURT: I think you can make those objections  
3 during the examination.

4 MR. BURKS: (Indiscernible). Thank you.

5 THE COURT: Mr. Shannon, go ahead.

6 MR. TANG: Your Honor, may I have that table to  
7 counsel's table?

8 THE COURT: Sure. Come on up.

9 MR. TANG: Just in case I need to make objections.

10 THE COURT: That's fine.

11 MR. TANG: Thank you, Your Honor.

12 THE COURT: Just stay next to a microphone and  
13 stand up and be loud.

14 MR. TANG: Okay, Your Honor. I'll sit over here.

15 THE COURT: All right.

16 MR. TANG: Thank you, Your Honor.

17 DIRECT EXAMINATION OF AZEEMEH ZAHEER

18 BY MR. SHANNON:

19 Q Good morning, Ms. Zaheer. Can you spell your name for  
20 the record? First and last.

21 A A-Z-E-E-M-E-H. Last name is Zaheer, Z-A-H-E-E-R.

22 Q And Ms. Zaheer, you are here understand a subpoena,  
23 correct?

24 A That's correct.

25 Q I guess just for the record back in July 24 of this

1 year, were you in the country?

2 A July?

3 Q 24, 2024.

4 A No.

5 Q And where were you at, Ms. Zaheer?

6 A I think I was in Egypt.

7 Q Thank you. Ms. Zaheer, if you could just -- I want to  
8 get an idea of your background and your knowledge of things  
9 we're going to talk about. Could you describe any  
10 background or connection you have with Galleria 2425 Owner  
11 LLC?

12 A Yes. In 2018, we structured a transaction to acquire  
13 2425 and secured lending from NBK. I brought lending in  
14 through a mezzanine entity I created called Naissance  
15 Galleria and acquired the asset.

16 Q And when you say you set it up, were you acting again  
17 through that entity Naissance Galleria? Is that what you  
18 said?

19 A Naissance Galleria is the mezzanine lender.

20 Q Okay. And was it created for that purpose?

21 A Sole purpose.

22 Q Okay. And did you have any connection with Galleria  
23 2425 JV LLC?

24 A Yes.

25 Q And how does that fit in with the -- with -- I'm going

1 to refer to Galleria 2425 Owner LLC as the debtor.

2 A Okay.

3 Q And so how does Galleria 2425 JV fit in with the  
4 debtor?

5 A Galleria 2425 JV was the sole owner of the debtor.

6 Q Okay. And so who -- or if you know, who controlled or  
7 who had ownership interest in Galleria 2425 JV?

8 A The ownership interest was Naissance Capital Real  
9 Estate based in Delaware and GW2 as the limited partner.

10 Q And when you say GW2, do you -- are you referring to  
11 Galleria West Loop Investments 2?

12 A That's correct.

13 Q Okay. And were you involved in setting up that  
14 corporate structure?

15 A I was.

16 Q And how were you involved in doing that?

17 A I structured it with our law firm.

18 Q Okay. And did you have conversations with anyone else  
19 that was involved with the debtor in doing that structure,  
20 setting up that structure?

21 A Yes, of course. Brad Parker, Ali Choudhri, who was  
22 instructing Brad Parker.

23 Q Okay. And so you talked about that transaction. Are  
24 you familiar with the transaction with NBK and acquiring the  
25 property? Do you know what I'm talking about when I say

1 that?

2 A Yes. No, 100 percent. I'm very familiar with it. It  
3 was a property that we acquired I structured with our law  
4 firms and...

5 Q And did you acquire that property from 2425 WL LLC?

6 A Yes.

7 Q Okay. And there was financing in connection with that  
8 acquisition of the property, correct?

9 A That's correct.

10 Q And just so the record's clear, when you're speaking of  
11 the property, which property are you talking about?

12 A 2425 West Loop South.

13 Q Okay. And that property -- or what entity actually  
14 held title to that property?

15 A 2425 Owner LLC.

16 Q Okay. And that's the entity that I had described as  
17 the debtor before, correct?

18 A That's correct.

19 Q Okay. I want to talk about that financing transaction.  
20 Can you tell me I guess what was part of that financing  
21 transaction to acquire the property?

22 A The senior lender the National Bank of Kuwait provided  
23 all -- a senior loan for 51 and a half -- 51.2 million and  
24 Naissance Galleria provide a mezzanine loan for 16.1  
25 million. And that was the two financing vehicles.



1 Q And was there any other financing that was part of that  
2 transaction?

3 A No, absolutely not.

4 MR. SHANNON: I'm going to pull up an exhibit,  
5 Judge. And before it gets admitted...

6 BY MR. SHANNON:

7 Q I'm pointing to your screen right there. Do you see  
8 that up there?

9 A Yes.

10 Q Do you recognize that image?

11 A Yes.

12 Q What is that image?

13 A That's the structure I drew out in your office.

14 Q Okay. And we just described the structure. Is -- does  
15 this basically describe the structure we just talked about?

16 A Yes. It does.

17 Q Okay.

18 A It shows...

19 MR. SHANNON: Okay. Judge, and just for the  
20 record what I pulled up was ECF 692-15. Judge, at this time  
21 I'd ask for Docket Number 692-15 to be admitted.

22 THE COURT: Any objections, Mr. Burks?

23 MR. BURKS: I don't know what it's being admitted  
24 for. I object to that, Judge. I don't know what that is.

25 THE COURT: It's basically a demonstrative of her

1 testimony. Do you have an objection to that?

2 MR. BURKS: Yes, Your Honor.

3 THE COURT: Then I'll overrule the objection.

4 (Exhibit ECF 692-15 admitted into evidence)

5 MR. SHANNON: Thank you.

6 BY MR. SHANNON:

7 Q Ms. Zaheer, on this chart there is a part of the top  
8 there that says AC 14 M. Can you explain what that means?

9 A AC stands for Ali Choudhri, and then he received nearly  
10 \$14 million in cash for the transaction.

11 Q Okay. And was there any equity as part of this deal in  
12 the property after all the financing transactions?

13 MR. BURKS: Objection. No predicate that she  
14 knows the value of the property at the time. She's being  
15 asked was there equity in the value of the property at the  
16 time of the transaction. There's no predicate for that.

17 THE COURT: I'll sustain the objection. You can  
18 ask -- or lay a foundation. Thank you.

19 BY MR. SHANNON:

20 Q Do you have an idea of what the value of the property  
21 was back then in 2018 when this transaction happened?

22 A Yes. The appraisal came in around almost 90 million as  
23 I recall.

24 Q And so if we're going to add up all these numbers, so  
25 52, 16, and 14, do those add up to 92?

1 MR. BURKS: Objection, Your Honor. The -- she's  
2 now testifying her value -- her opinion of equity, her value  
3 that she's asserting is based on an appraisal which has not  
4 been admitted into evidence. She can't do that.

5 THE COURT: I'll overrule the objection. Go  
6 ahead.

7 BY MR. SHANNON:

8 Q Do you need me to reask that question?

9 A Yeah. You're just asking if it adds up to this number.  
10 Yeah.

11 Q So was there any -- based on that appraisal, was there  
12 any additional value in the property that was owned? Again,  
13 just based on that appraisal.

14 A Based on the appraisal, yes. It would be -- the value  
15 would be based on for financing in place and any additional  
16 amount over that left.

17 Q Okay. Thank you. I'm going to talk about this -- the  
18 documents related to that May 23, 2018 transaction. Are you  
19 generally -- or were you at the time familiar with those  
20 documents?

21 A Yes.

22 Q And did you sign those documents on behalf of the  
23 debtor?

24 A Yes, I did.

25 MR. BURKS: Objection. I don't know what "those

1 documents" are at this point.

2 THE COURT: Okay. I sustain the objection. Let's  
3 -- they're already in evidence I'm assuming, but let's go  
4 ahead show them to him.

5 BY MR. SHANNON:

6 Q Okay. Ms. Zaheer, I'm going to pull up Docket 692-7.  
7 And sorry. Let me draw that back. I'm going to pull up  
8 692-8. Can you make that out on the screen? Is that large  
9 enough for you to see?

10 A Yes.

11 Q Okay. And you see at the top there where it says Loan  
12 Agreement dated as of May 23, 2018 among Gallery Owner LLC  
13 as borrower, National Bank of Kuwait SAKP New York branch as  
14 administrative agent, and it continues on after that?

15 A Yes.

16 Q And do you know what this document is?

17 A Yes. This is our loan agreement with the National Bank  
18 of Kuwait.

19 Q Okay. And I'm going to scroll down to the signature  
20 page and I'm going to ask if that's your signature. Pull it  
21 up there. Ms. Zaheer, is that your signature there at the  
22 bottom of that call-out?

23 A Yes.

24 Q And it says that you were signing -- you're at the  
25 bottom, and then above that it says Naissance Capital Real

1 Estate LLC, correct?

2 A That's correct.

3 Q And then above that Galleria 2425 JV LLC.

4 A Yes.

5 Q And then above that is the entity that we referred to  
6 as the debtor, correct?

7 A Correct.

8 Q Ms. Zaheer, why did -- why was it you -- why were you  
9 the one that was signing this document, this loan agreement?

10 A Because I was the general partner. I was the sole  
11 managing member. I am the sole managing member of Naissance  
12 Capital Real Estate. There was the general partner of  
13 Galleria 2425 JV (indiscernible) 2425 Owner.

14 Q And we talked I think before. So Galleria 2425 JV LLC,  
15 it is as exists here. The sole member of the debtor,  
16 correct?

17 A That's correct.

18 Q And then Naissance Capital Real Estate LLC, is this  
19 correct where it says that was the managing of that -- the  
20 JV entity?

21 A That is correct.

22 Q Okay. I'm going to pull up ECF 692-9. And again do  
23 you see at the top there where it says promissory note?

24 A I do.

25 Q And it says 51,675,000 there on the left, right?

1 A Yes.

2 Q And the date is May 23, 2018?

3 A Correct.

4 Q Do you know what this document is?

5 A Yes, it's part of our closing documents. It's our  
6 promissory note to pay the loan back to NBK.

7 Q Okay. This is the note that was issued to NBK,  
8 correct?

9 A That's correct.

10 Q Okay. I'm going to scroll down to the end again. Ms.  
11 Zaheer, is this your signature at the bottom there?

12 A It is.

13 Q And it's the same kind of structure as the loan  
14 agreement we just looked at, right? So you on behalf of  
15 Naissance Capital Real Estate on behalf of Galleria 2425 JV  
16 on behalf of the debtor, correct?

17 A That's correct.

18 Q Okay. I'm going to pull up Docket Number 692-10 also  
19 been admitted. Ms. Zaheer, do you see at the top there  
20 where it says the -- starts with deed of trust on the  
21 screen?

22 A Yes.

23 Q And do you have -- do you know what this document  
24 represents?

25 A Yes. It's the deed of trust --

1 Q Okay.

2 A -- that was submitted at the time of closing.

3 Q Okay. And it's the deed of trust. Do you know -- who  
4 was it issued to? If you remember.

5 A It was on the benefit of -- for the benefit of NBK.

6 Q Okay. I'm going to scroll to Page 22 of this document.  
7 And just the same question, Ms. Zaheer. Is that your  
8 signature right there?

9 A It is.

10 Q Okay. I'm going to pull up ECF 692-11. And Ms.  
11 Zaheer, I'm going to point it out to you. Well, I'll just  
12 ask you. Do you -- take a look at it and tell me if you  
13 know what this document is.

14 A Yes, it's the assignment of rights and leases to the  
15 senior lender.

16 Q Okay. And that senior lender is NBK, correct?

17 A That's correct.

18 Q Okay. Again, I'm going to scroll to Page 7 here and  
19 kind of just ask you the same question, Ms. Zaheer. Is that  
20 your signature right there?

21 A It is.

22 Q And I'll ask you one more thing. So Ms. Zaheer, I'm  
23 not going to talk about that exhibit right now. You said  
24 that there was also a mezzanine loan. Can you just explain  
25 what a mezzanine loan is for the record?

1 A Yes. It's a subordinated loan to the senior lender  
2 that provides financing to the property. It's a loan that  
3 is slightly higher in risk than a senior loan and lower than  
4 equity, and it's kind of like a hybrid between debt and  
5 equity.

6 Q And to what entity would a mezzanine loan be -- and let  
7 me just ask you this. The mezzanine loan here in this case,  
8 to what entity was that loan made if you know?

9 A The mezzanine loan was provided to JV, 2425 JV LLC.

10 Q Okay. And so that loan would've been -- and that was  
11 the parent company of the debtor, correct?

12 A That's correct.

13 Q And why -- and your -- do you have experience with  
14 mezzanine loans other than this one transaction?

15 A I have, but not within outside of a bank that I work  
16 for. Uh-uh. But yes.

17 Q Okay. Well, even for a bank, what is the -- is there a  
18 reason that the senior lender might want a loan to be a  
19 mezzanine loan?

20 MR. BURKS: Objection. General question  
21 irrelevant to this transaction, Your Honor.

22 THE COURT: I'll overrule the objection. Go  
23 ahead.

24 BY MR. SHANNON:

25 A Well, the senior lender doesn't want -- usually he



1 doesn't even want a mezzanine loan. They just want to be  
2 the only loan on the transaction. But should there be a  
3 case of having a secondary mezzanine loan, the reason is to  
4 provide the additional financing for the property.

5 Q Okay. Thank you. I'm going to pull up ECF Number 692-  
6 12. Do you see that in front of you right now, Ms. Zaheer?

7 A I do.

8 Q And do you know what this document is?

9 A Yes. It's our mezzanine loan agreement.

10 Q And Ms. Zaheer, do you remember signing this agreement  
11 as well?

12 A I do.

13 Q Okay. So Ms. Zaheer, if I've asked you this before I  
14 apologize, but so was there any \$14.7 million second lien  
15 loan that was part of that 2018 transaction?

16 A No.

17 Q Did you at some later point ever learn of any attempt  
18 to assert that there was such a loan?

19 A Yes.

20 Q Okay. What -- can you explain what that was then?

21 A Mr. Choudhri approached me to sign a document after the  
22 Stage bankruptcy, and it was to sign like an additional lien  
23 on the property, a deed of trust, and I didn't feel  
24 comfortable with it. I asked to send it to a lawyer, and I  
25 asked for a (indiscernible), which he never provided. And I

1 never signed it. I never saw it after that until later I  
2 learned that he had filed a deed.

3 Q And around what time was that? What date?

4 A That I -- that he...

5 Q Yeah, that he would've reached out to you and asked you  
6 to do that.

7 A It was after the Stage bankruptcy, so probably like the  
8 end of 2020. Something like that.

9 Q Okay.

10 A I think. It was after that, but I can't remember the  
11 exact date.

12 Q Now, Ms. Zaheer, I want to talk a little bit about the  
13 corporate authority here. Oh, actually let me ask you one  
14 more thing. I'm going to pull up a document that has been  
15 admitted. And for the record, this is ECF Number 692-13.  
16 And it's already been admitted, but Ms. Zaheer, I'm going to  
17 ask you if you recognize this signature.

18 A I do.

19 Q Whose signature is that?

20 A Moussa Hussein.

21 Q And does he have a relationship with Naissance Capital  
22 Real Estate?

23 A He did. He was supporting -- I lived between here and  
24 London, so he was an authorized person to act on behalf of  
25 our entity for a period of time.

1 Q Okay. Thank you. I'm going to pull up ECF Number 692-  
2 14 and I'm going to ask you the same question with the  
3 signature that's pulled up there. Is that also the same  
4 person?

5 A Yes.

6 Q And at that time at least had a relationship with  
7 Naissance Capital Real Estate LLC.

8 A That's correct.

9 Q Okay. And just so we're clear, though, I mean, by that  
10 time -- the time that I'm referring to specifically is in  
11 January of 2020.

12 A Yes.

13 Q Okay. Thank you. Ms. Zaheer, I'm going to switch  
14 topics a little bit. When was -- do you know when the  
15 debtor entity we talked about was created?

16 A Owner -- 2425 Owner LLC was created in 2018.

17 Q And so before that time in 2018, it just did not have  
18 any corporate existence?

19 A That's correct.

20 Q Okay. I'm going to put up ECF Number 692-16. Do you  
21 recognize this document here?

22 A Yes.

23 Q Okay. What is this document?

24 A This is our filing of the company.

25 Q And I'm going to pull out this part. It might not save

1 a lot of space. Do you see the top there? It says the name  
2 and address of each governing person is.

3 A Yes.

4 Q And this document, is this one that you would have  
5 approved for whoever filed it?

6 A Yes.

7 Q And this was the only governing person of the debtor at  
8 the time, correct?

9 A Yes.

10 Q Now I'm going to ask you one more question about this.  
11 Now I -- well, I guess I'll ask you. I see a signature  
12 there with your name on it. That's not your physical  
13 written signature, is it?

14 A No.

15 Q But did -- you did authorize this signature to be  
16 placed here, right?

17 A Yes, I think it's a DocuSign from our -- for our  
18 attorneys.

19 Q Okay.

20 A Or our -- yeah, or the accountant who -- one of them  
21 filed it.

22 Q I'm going to pull up ECF 692-17 now. Also been  
23 admitted. Same question. Do you recognize what this  
24 document is?

25 A Yes.

1 Q And what is the document?

2 A It's registering the entity Galleria 2425 JV LLC.

3 Q And this would've been the same kind of thing, a  
4 document that you authorized and approved, correct?

5 A Yes.

6 Q Thank you. I'm going to pull up ECF Number 692-18. Do  
7 you -- Ms. Zaheer, do you recognize what this document is?

8 A It's the LLC agreement or -- yes.

9 Q Okay. And so is it the company agreement for Galleria  
10 2425 JV LLC?

11 A Yes.

12 Q And that is the sole member of the debtor, correct?

13 A That's correct.

14 Q Okay. Do you remember this document being created?

15 A Yes.

16 Q And do you remember when this document was executed?

17 A In 2018.

18 Q Okay. And bear with me. I'm going to find the  
19 signature page here. And Ms. Zaheer, is that your signature  
20 there on this company agreement?

21 A Yes, it is.

22 Q Ms. Zaheer, based on your understanding of this  
23 agreement, did anyone other than Naissance Capital Real  
24 Estate have the authority to act on behalf of this entity,  
25 the JV entity back in 2018?

1 A No.

2 Q So only Naissance Capital Real Estate could.

3 A That's correct.

4 Q And did you ever authorize Mr. Choudhri to act -- to  
5 sign documents on behalf of that entity, the JV entity?

6 MR. BURKS: Objection.

7 BY MR. SHANNON:

8 A No.

9 MR. BURKS: Assumes -- that assumes that she had  
10 either the authority or the duty to authorize and the --

11 THE COURT: I think that's clear from the  
12 evidence, Mr. Burks. If you want to -- I'll let you respond  
13 to that, but I think it's clear from the evidence that  
14 that's the case.

15 MR. SHANNON: I think she's already testified that  
16 he could --

17 THE COURT: I'll overrule that objection. Thank  
18 you.

19 BY MR. SHANNON:

20 Q And Ms. Zaheer, your answer to that was no, correct?

21 A That's correct. No, he did not.

22 Q Okay. And at some point did the managing member of  
23 that JV entity change?

24 A Yes.

25 Q Do you remember when that happened?

1 A In -- around 2021.

2 Q Okay. I'm going to pull up ECF Number 692-19. Do you  
3 recognize this document?

4 A I do.

5 Q And is this the document that made that change or who  
6 had the authority to act on behalf of the JV entity?

7 A Yes.

8 Q And this is -- Ms. Zaheer, is this your signature right  
9 here on the document?

10 A It looks like my signature, but...

11 Q Okay. And I'm going to pull up one other thing. There  
12 is a date there that -- do you know what that date is right  
13 there?

14 A January 18, 2021.

15 Q Okay. It's January. Thank you.

16 A Yeah, it looks like June or January.

17 Q If it was between June or January, which one do you  
18 think better fits your recollection of when --

19 A Oh, no, no. It was January.

20 Q Okay.

21 A It was January.

22 Q Ms. Zaheer, last line of questions I'll have for you.  
23 You mentioned a little bit before the Stage bankruptcy. And  
24 you were involved in the management of the debtor through  
25 those other entities at the time, correct?

1 A Yes.

2 Q And was that around 2021? Or I'm sorry, 2020.

3 A Yes.

4 Q Did that cause any financial issues for the debtor?

5 A Yes.

6 Q How so?

7 A Stage Stores occupied around seven floors of the eleven  
8 of the asset. So when they went into insolvency or into  
9 bankruptcy, we could no longer afford to pay our debts.

10 Q And would you describe that as financial distress after  
11 that bankruptcy?

12 A Yes.

13 Q Okay. Thank you.

14 MR. SHANNON: No further questions, Your Honor.

15 THE COURT: All right, Mr. Baker.

16 MR. BURKS: Mr. Burks?

17 THE COURT: Mr. Burks. I'm sorry. I apologize  
18 deeply.

19 MR. BURKS: No, it's all right.

20 THE COURT: No, it's not.

21 CROSS-EXAMINATION OF AZEEMEH ZAHEER

22 BY MR. BURKS:

23 Q Hello.

24 A Hello.

25 Q Did you sign an agency agreement with Ali Choudhri?



1 A I signed an agency agreement with Ali Choudhri on a  
2 different entity.

3 Q So your testimony today is that you never signed any  
4 agency agreement with Ali Choudhri in connection with the  
5 acquisition of this property.

6 A That's correct.

7 Q Isn't it true that all the documents that we just  
8 looked at were signed by you but on behalf of sometimes two,  
9 sometimes three or four (indiscernible)?

10 A Yes, I signed the documents on behalf of Naissance, on  
11 behalf of owner, as a general partner, and I signed the  
12 documents as the mezzanine lender.

13 Q And who else?

14 A And that's it.

15 Q So do we need to go back up and look at the documents  
16 and see the signature -- you know, your signature's there on  
17 Naissance, but under two or three entities below each one  
18 (indiscernible)?

19 A So sure. We can pull up the documents that you're  
20 referencing and I can explain it to you.

21 Q All right. I don't have control of those documents  
22 right now. So explain why there were multiple entities but  
23 only Naissance was -- had a signature for you. What -- who  
24 was signing on behalf of all those other entities?

25 A Okay. So we have Gallery owner, right? Gallery owner

1 is owned by the JV entity. The JV entity is managed by  
2 Naissance Capital Real Estate LLC. This is a U.S. entity  
3 based in Delaware and that entity was the general partner of  
4 the ownership of the 2425 Owner LLC.

5 Q Did Naissance own the property?

6 A Naissance Capital Real Estate LLC owned 1.3 or 2  
7 percent of the exact amount, something like that, of the  
8 property, yes.

9 Q But Naissance was acting on behalf of the actual owners  
10 of the property, correct?

11 A Naissance Capital was the general partner for the JV.

12 Q So Naissance in all of these documents was acting on  
13 behalf of other entities.

14 A So you're --

15 Q Yes or no.

16 A There's a couple of different Naissances. There is a  
17 Naissance Capital based in the U.K. That U.K. entity is a  
18 foreign entity that manages Naissance Galleria, which is the  
19 mezzanine lender.

20 Q You didn't answer my question, did you?

21 A I did.

22 Q Oh.

23 A Naissance --

24 Q All right.

25 A -- Capital Real Estate is a separate entity from

1 Naissance Capital Real Estate LTD, which is a U.K. entity.

2 So it's not all one Naissance. There are multiple

3 Naissances.

4 Q Did Naissance own the property?

5 THE COURT: Which one are you talking about?

6 MR. SHANNON: Objection.

7 MR. BURKS: The other one. The other Naissance  
8 entity.

9 THE COURT: Okay.

10 BY MR. BURKS:

11 A Naissance owned 1.28 something percent of the property,  
12 yes.

13 Q But I want to focus on the Naissance (indiscernible) on  
14 (indiscernible), okay? Is that all right?

15 A On behalf of the lender or the equity?

16 Q On behalf of who you signed. You signed these  
17 documents, correct?

18 A Yes.

19 Q And you signed them on behalf of Naissance, correct?

20 A Yes.

21 Q And if there are 3 or 4 or 500 Naissances, I want to  
22 refocus on the one that you signed on behalf of, all right?

23 A I signed on behalf of both Naissance Capital entities.

24 Q Okay. And it says that on the document.

25 A It does, yes.

1 Q And was Naissance the borrower?

2 A Galleria 2425 Owner LLC was the borrower.

3 Q Okay. Was Naissance the owner of the property other  
4 than one percent?

5 A No.

6 Q So who signed on behalf of Galleria and who owned the  
7 property before it was sold?

8 A Who owned the property? This -- who was the seller?

9 Q Yeah.

10 A It was the entity -- I think it's called -- also like a  
11 WL, 2425 WL LLC.

12 Q Oh, the claimant on this claim you're testifying about  
13 owned the property.

14 A It's the seller.

15 Q Okay. 2425 WL sold the property. Did you sign it on  
16 behalf of them?

17 A No. Adam Broder signed on behalf of them.

18 Q And the buyer was Galleria the debtor here.

19 A Mm-hmm.

20 Q Did you sign on behalf of them?

21 A Yes. That's correct. I signed as managing member of  
22 Naissance Capital.

23 Q An agent?

24 A Not an agent.

25 Q What were you?

1 A I was a general partner.

2 Q Of Naissance.

3 A Yes. Would you like me to go over the structure with  
4 you?

5 Q No, I'd like to understand how if you weren't the agent  
6 of Galleria, I'd like to know how you were sign on behalf of  
7 Galleria.

8 THE COURT: Let's be clear for the record. You're  
9 talking about Galleria 2425 Owner? Because there are  
10 multiple Gallerias, okay?

11 MR. BURKS: You're right.

12 THE COURT: So let's make the record clear.

13 BY MR. BURKS:

14 Q Galleria 2425 Owner.

15 A Yes. Galleria 2425 Owner is owned by 2425 JV --

16 Q Mm-hmm.

17 A -- 100 percent shares. That JV entity has a general  
18 partner and a limited partner. Naissance Capital is a  
19 general partner.

20 Q All right. And isn't it true, though, that you are the  
21 agent of Ali Choudhry is --

22 A Absolutely not. (Indiscernible).

23 Q (Indiscernible)?

24 A Yes, I'm sorry.

25 Q Isn't it true that you were the agent of Ali Choudhry

1 in this transaction?

2 A No.

3 Q Were you the agent of Ali Choudry in any other  
4 transactions?

5 A Balio.

6 Q Which?

7 A Balio.

8 Q Spell that please.

9 A B-A-L-I-O.

10 Q So your position is that when you executed for  
11 Naissance, you were not acting as an agent for 2425 WL.

12 A That's 100 percent correct. I was acting as a general  
13 partner for 2425 JV LLC.

14 Q And who was the other general partner? Were there any  
15 other partners in that (indiscernible)?

16 A There was a limited partner.

17 Q Who was it?

18 A JW2. Brad Parker.

19 Q Brad Parker. 2425 WL is the owner of the property.  
20 Who were the managing members or owners of the entity?

21 A Brad Parker.

22 Q Did Ali Choudhri have any ownership in that?

23 A Later assigned the company over to him from Brad  
24 Parker.

25 Q Who assigned what to whom?

1 A Brad Parker assigned the company to Ali Choudhry.

2 Q When did he do that?

3 A I don't know that. You have to ask them.

4 Q I think I found -- no, I didn't. I didn't really  
5 follow your chart, but I think I have a vague idea of where  
6 counsel's going with it. How much cash in this transaction  
7 -- refresh the Court's memory who was the buyer, the debtor,  
8 2425 Galleria Owner --

9 A Correct.

10 Q -- how much cash did they put in?

11 A Nothing.

12 Q Nothing. Okay. And -- but isn't it true that there  
13 was \$14,730 cash paid to Ali Choudhri? That's what you  
14 testified to.

15 A He received the money as the seller.

16 Q Who?

17 A Ali Choudhri. Adam --

18 Q I thought you said he wasn't the seller.

19 A Adam Broder who later found out had an agency  
20 (indiscernible) and he was a proxy for Ali Choudhri.

21 Q Okay. So let's refresh our memory. The \$14,730 --

22 A You mean 14 million?

23 Q Yeah, 14 million, thank you for correcting me, we're  
24 dealing with millions of dollars here. I apologize. Thank  
25 you.

1 A It's okay.

2 Q So the 14 million, where did it come from? It went to  
3 Ali you just testified, but where did it come from?

4 A It came from the 51.6 million plus the 16.1 million  
5 that I provided to buy the asset.

6 Q So it was a loan from 2425 WL.

7 A No. It's not a loan.

8 Q Where did it come from?

9 A There was no --

10 Q The buyer didn't pay it.

11 A So the -- if you look at the settlement statement,  
12 you'll see --

13 Q Right.

14 A -- that the previous loan for Bank of America, looks  
15 like 40 something million, the surplus went back to the  
16 seller's entity, which was more than 14 -- 13 point  
17 something million dollars.

18 Q So it went back to whom?

19 A The beneficial owner is Ali Choudhri.

20 Q And you're saying that's not a loan the way it's set up  
21 in the closing statement?

22 A I mean...

23 Q Let's forget about the note. I'm going to ask you a  
24 question.

25 A My --



1 Q Forget about the note.

2 A I get paid for my house. Does that mean that was a  
3 loan or was that a payment for buying my house? It -- I  
4 don't understand your question. It makes no sense.

5 Q What was the purpose of the \$14,700 --

6 A 14 million?

7 Q -- \$14,700,000 on the closing statement? What does  
8 that --

9 A I don't --

10 Q -- represent?

11 A The seller sold the property.

12 Q 2425 WL sold the property.

13 A Correct. And in return they received cash of \$14.6  
14 million.

15 Q From the buyer?

16 A From the proceeds that were surplus from the  
17 acquisition.

18 Q All right. So the surplus of the acquisition. What  
19 did you say the value of the property was?

20 A Around 90 something million.

21 Q And how much was the (indiscernible) note?

22 A 51.6. Could I reference the settlement statement?  
23 It's been --

24 Q Sure. You have it (indiscernible).

25 A Otherwise I'm happy to just ballpark the numbers, which

1 is 51 point something million. My loan, the mezzanine loan  
2 that we brought (indiscernible) for was 16.1 million. This  
3 was all cash. NBK brought 51.6 million. I brought 16.1  
4 million, and that paid off the previous loan, the previous  
5 liens, and it had a surplus of almost \$14 million. And that  
6 \$14 million went into the pocket ultimately of Ali Choudhri.

7 Q Isn't it true that the \$14.7 million actually came from  
8 2425 WL?

9 A What?

10 MR. SHANNON: I'm going to object. We're throwing  
11 numbers around here that aren't the same, Your Honor. It  
12 looks like --

13 BY MR. BURKS:

14 A This is like a completely -- this is such a strange --  
15 sorry.

16 Q Go ahead.

17 MR. SHANNON: No, just wait.

18 MR. BURKS: There's no question, but if you'd like  
19 to speak --

20 MR. SHANNON: Mr. Burks --

21 THE COURT: No, I don't want anyone to ask a  
22 question that's not on the record. Mr. Burks, I understand  
23 the transaction. I don't think you're making any headway.  
24 If you're trying to make headway, I'd like you to get on  
25 with it. Because I understand the transaction. It's not

1 unfortunately that complicated a transaction. And all  
2 you're doing is muddying the record with questions that  
3 really, to my mind, don't make any sense.

4 MR. BURKS: All right. I need the closing  
5 statement up on the screen, Judge. Is --

6 THE COURT: Well, that's your --

7 MR. BURKS: Yes, it is.

8 THE COURT: -- duty and your prerogative, and you  
9 can put it up, but I'm not going to aid you.

10 MR. BURKS: I don't want you to --

11 THE COURT: You should be ready --

12 MR. BURKS: I don't want you to --

13 THE COURT: -- okay?

14 MR. BURKS: I don't want you to aid me.

15 THE COURT: You have the -- I mean, there's a  
16 connection right there. Connect -- put up whatever you  
17 want.

18 MR. BURKS: Judge, I'm on cross. It's their  
19 Exhibit 5, but it's also my Exhibit 8. I believe that Mrs.  
20 Bates is on the line. If Mrs. Bates will put it up, I'll  
21 look at it, Judge.

22 THE COURT: The problem is that you're connected  
23 to an internal system. So you have to project from inside  
24 the courtroom.

25 MR. BURKS: Well, counsel won't put it back up. I

1 can't put it up and question the witness.

2 THE COURT: Then move along please.

3 MR. BURKS: Yes, Your Honor. (Indiscernible). Is  
4 there a way to project this, Judge?

5 THE COURT: It's already on, Mr. Burks.

6 MR. BURKS: Thank you, Your Honor.

7 THE COURT: This is why we allow you to come and  
8 test before you come to court.

9 MR. BURKS: Excuse me, Judge?

10 THE COURT: This is why we allow you to come and  
11 test the system before you come to court so that you can be  
12 prepared.

13 MR. BURKS: Noted. Thank you.

14 THE COURT: You're welcome.

15 BY MR. BURKS:

16 Q Will you -- I direct your attention to 303, cash from  
17 borrower.

18 THE COURT: So first of all, you want to tell me  
19 what it is for the record, Mr. Burks?

20 MR. BURKS: Yes, Your Honor. This is the  
21 settlement statement, which has been --

22 THE COURT: I just need an ECF number. Your  
23 exhibits, their exhibits, I don't care.

24 MR. BURKS: 637 dash probably 5.

25 THE COURT: All right. Thank you. Go ahead.

1 MR. BURKS: Thank you, Your Honor.

2 BY MR. BURKS:

3 Q I direct your attention to line 303. You see it?

4 A Yes.

5 Q \$14,730,000 and change, correct?

6 A That's correct.

7 Q And where did that cash come from?

8 A Well, it came from the senior lender and the mezzanine  
9 lender. And once the liens were paid off, that was the  
10 surplus of funding.

11 Q And where did that cash go to?

12 A It went ultimately to Ali Choudhri.

13 Q When you say ultimately Ali Choudhri, what entity did  
14 it go to?

15 A It went to the seller's entity.

16 Q And what was that entity?

17 A The WL entity.

18 Q The claimant on this proof of claim, correct? Isn't it  
19 true the 14,730 actually came from 2425 WL on this  
20 transaction?

21 A Unless I don't know how to do math, no.

22 Q Okay.

23 MR. BURKS: One moment, Your Honor.

24 BY MR. BURKS:

25 Q Were you present at the closing?

1 A I was.

2 Q You referenced the deed of trust. Do you know when it  
3 was executed?

4 A It was executed in 2018.

5 Q The deed of trust for the purported \$14,700,000 and  
6 change note to (indiscernible) 2425 WL, do you know when  
7 that deed of trust was executed?

8 A I understand --

9 Q Right.

10 A -- that -- I don't know because I didn't execute it.  
11 It was --

12 Q Do you know when the note was executed?

13 A There was no note.

14 Q There was no promissory note to 2425 WL for 14.7  
15 million and change.

16 A I am not part of WL and I am not part of GW2. There  
17 was no note.

18 Q If the deed of trust was executed --

19 MR. BURKS: One moment. I want to use this up  
20 (indiscernible) again. I like that. Thank you, Mr. Pope.

21 BY MR. BURKS:

22 Q You recognize this document?

23 A I have seen it in files subsequent.

24 Q And when did you first see it?

25 A I --

1 THE COURT: Again, Mr. Burks, what ECF number are  
2 we making a reference to for the record?

3 MR. BURKS: Yes, Your Honor. We're referencing  
4 637-2, the attachments.

5 THE COURT: All right. Thank you.

6 MR. BURKS: Thank you, Your Honor.

7 BY MR. BURKS:

8 Q You ever seen this deed of trust before?

9 A I think when you guys filed it looking through your --  
10 the case documents.

11 Q And so the first time you saw this deed of trust was  
12 when?

13 A Sometime looking over case documents.

14 Q All right. So you don't know when it was filed, when  
15 it was signed, do you?

16 MR. TANG: Your Honor, I'm going to object. This  
17 is an incomplete document. Can he show the rest maybe?

18 MR. BURKS: Sure.

19 THE COURT: And I'll sustain the objection.

20 MR. TANG: Thank you, Your Honor.

21 THE COURT: It's an incomplete document.

22 BY MR. BURKS:

23 Q You testified that the -- Mr. Choudhri asked you to  
24 sign the document, correct?

25 A That's correct.

1 Q But what document did he ask you to sign?

2 A So it was to sign a document to put a lien on the  
3 building.

4 Q And what document is what? Do you have it with you?

5 A I have an email -- a text message to him asking for a  
6 soft copy of it and asked to be reviewed and he never sent  
7 it to me.

8 Q He never sent you the document?

9 A Nope.

10 Q So what are we talking about? What was the document?  
11 How do you know it was a lien on the building?

12 A Because I heard.

13 Q You heard what?

14 A I heard that he filed a fake lien.

15 Q When did you hear that?

16 A 2021, '22. Something like that. I can't remember, but  
17 it was sometime afterward. I was litigating against him.

18 Q Who characterized it as a fake lien?

19 A I just did.

20 Q Okay. And -- but you said you didn't know what was  
21 signed back in 2018. You said you didn't sign anything.  
22 Isn't that true?

23 A I said that I did not sign -- that there was no other  
24 notes at the time of closing. During the time that I was a  
25 managing member the only documents that were liens --



1 probably a lien on the property was from NBK. We  
2 subsequently had a tax lien, but this is -- it didn't exist.

3 Q You're a lawyer, correct?

4 A No.

5 Q So would you agree with me that there's a difference  
6 between the date a document, such as a deed of trust, is  
7 signed versus the date it is recorded?

8 MR. TANG: Objection, Your Honor. That calls for  
9 a legal conclusion.

10 THE COURT: I'll sustain the objection.

11 BY MR. BURKS:

12 Q Do you know when the deed of trust, the fake deed of  
13 trust that you referred to, do you know when it was signed?

14 A I do not.

15 MR. TANG: Objection, Your Honor. That's been  
16 asked and answered.

17 THE COURT: I'll sustain the objection.

18 MR. BURKS: Let the record reflect that she said  
19 no and shook her head no, Your Honor.

20 THE COURT: I sustained the objection.

21 MR. BURKS: I understand.

22 BY MR. BURKS:

23 Q Do you know who recorded the "fake deed of trust"?

24 A I can have a look at this document if you can show me.

25 Q Sure.

1 MR. TANG: Your Honor, I'm going to also object to  
2 foundation. I don't think there's ever been any testimony  
3 it was filed. And I think Mr. RJ, the arguments that this  
4 was hidden in the pocket --

5 THE COURT: I know for a fact that it was  
6 recorded.

7 MR. TANG: Okay.

8 THE COURT: So -- because I've had a long history  
9 with this case, so while I understand your objection, I've  
10 got some knowledge you're not privy to.

11 MR. TANG: (Indiscernible), Your Honor.

12 THE COURT: So -- okay. Thank you. No, that's  
13 fine. Raise your objections please.

14 MR. TANG: Thank you.

15 MR. BURKS: May I approach the witness with a hard  
16 copy?

17 THE COURT: No, you can do it right there. What's  
18 what it's for, Mr. Burks.

19 MR. BURKS: Are ECF 637 (indiscernible)?

20 THE COURT: You talking about 637-2?

21 MR. BURKS: 2.

22 BY MR. BURKS:

23 Q I'm showing you -- what I'm reflecting to you is the  
24 signature page on the "fake deed of trust". The buyer of  
25 the property was Galleria 2425 Owner, correct?

1 A That's correct.

2 Q Was Ali Choudhri the manager of either Galleria West  
3 Loop Investments? Yes or no.

4 THE COURT: When?

5 MR. BURKS: At the time of -- good question,  
6 Judge. Thank you.

7 BY MR. BURKS:

8 Q Are you aware of -- as of May 23, 2018, are you aware  
9 of what entities Ali Choudhri was the manager or owner of?

10 A I'm still not aware of all of the entities he's a  
11 manager or the owner of.

12 Q Okay. Thank you.

13 MR. BURKS: Your Honor, I may be done on cross if  
14 I can have 45 seconds to ensure that.

15 THE COURT: You may have exactly 45 seconds.

16 MR. BURKS: Thank you for that, Your Honor.

17 THE COURT: And I'm watching the clock.

18 MR. BURKS: On the atomic clock.

19 THE COURT: On the atomic clock. You've got 20  
20 seconds left.

21 MR. BURKS: And I can give you a countdown.

22 BY MR. BURKS:

23 Q Did you sign any of the Naissance entities' ownership  
24 over to Ali Choudhri?

25 A No.

1 Q Do you believe that in the corporate structure of  
2 things that you were a fiduciary of some sort to Ali  
3 Choudhri?

4 MR. TANG: Objection, Your Honor. Probably calls  
5 for a legal (indiscernible).

6 THE COURT: I'll sustain the objection. Thank  
7 you.

8 MR. BURKS: Nothing further, Your Honor.

9 THE COURT: Thank you. Mr. Shannon?

10 MR. SHANNON: I have no further questions, Your  
11 Honor.

12 THE COURT: Ma'am, thank you for coming and  
13 testifying. I appreciate it (indiscernible).

14 MR. POPE: Your Honor, I did have two questions.

15 THE COURT: Are you a part of this objection? I  
16 don't think you are. I think you're excused. Thank you.  
17 Can I excuse this witness, Mr. Shannon?

18 MR. SHANNON: Yes, Your Honor.

19 THE COURT: All right. Thank you, ma'am. You're  
20 free to leave.

21 MR. SHANNON: Thank you (indiscernible).

22 THE COURT: Thank you. Thank you for appearing.  
23 All right, Mr. Shannon. Next witness?

24 MR. SHANNON: Yes, Your Honor. I'd like to call  
25 Christopher Wyatt.

1 THE COURT: Mr. Wyatt, do you want to come  
2 forward? If you could go to the podium, sir, I'll swear you  
3 in. Please raise your right hand. Do you swear or affirm  
4 to tell the truth, the whole truth, and nothing but the  
5 truth so help you God?

6 THE WITNESS: I do.

7 THE COURT: All right. Please be seated, sir.  
8 Yeah. Just make sure you speak into the microphone. Thank  
9 you.

10 THE WITNESS: Yeah, sure.

11 DIRECT EXAMINATION OF CHRISTOPHER WYATT

12 BY MR. SHANNON:

13 Q Good morning, Mr. Wyatt. Could you spell your first  
14 and last name for the record please?

15 A It's Christopher, C-H-R-I-S-T-O-P-H-E-R, last name's  
16 Wyatt, W-Y-A-T-T.

17 Q And Mr. Wyatt, are you here under a subpoena today?

18 A Yes.

19 Q I want to start off kind of with your background and  
20 your knowledge of things.

21 MR. BURKS: Your Honor, at this time I would  
22 object to the calling of this witness. I was not aware that  
23 he'd be called as a witness in this case. I don't -- until  
24 two days ago.

25 THE COURT: The fact that you're not ready, Mr.

1 Burks, is not grounds for objection. It's overruled. Thank  
2 you.

3 MR. BURKS: Yes, Your Honor.

4 BY MR. SHANNON:

5 Q Mr. Wyatt, did you ever work with or for any entity  
6 related to Mr. Ali Choudhri?

7 A Yes.

8 Q Can you explain what entities you had involvement with?

9 A Well, you know, a lot of entities. But purportedly I  
10 was hired by Jetall Companies Inc. as an employee but paid  
11 through another company they had called Balio. So it kind  
12 of mixes, matches everything with respect to entities.

13 Q And can you explain what your role is with whichever  
14 entity you were working for?

15 A During that time probably I think I started there in  
16 July 2019 and -- until October -- around October 20th of  
17 2020. And during that time I was -- the title I was given  
18 is chief operating (indiscernible).

19 Q And in that role, did you become familiar with Mr.  
20 Choudhri's businesses beyond just Jetall Companies Inc.?

21 A Yes.

22 Q Did you become familiar with 2425 W -- I'm sorry, 2425  
23 -- excuse me. I'm sorry. Let me just restart over.

24 Galleria 2425 Owner LLC.

25 A Yes.

1 Q Did you become familiar with an entity referred to as  
2 2425 WL LLC?

3 A Yes.

4 Q And how did you become familiar with those different  
5 entities?

6 A Well, there were a lot of transactions going in  
7 connection with those. Like the Galleria 2425 became  
8 involved because there was a Stage bankruptcy at least  
9 pending for them, and you know, caused economic problems for  
10 that entity.

11 Q And were you familiar with the financials of all these  
12 different entities in that role?

13 A I saw financials. As far as being familiar with, you  
14 know, monthly operating reports and stuff like that, no.

15 MR. BURKS: Your Honor, I'm going to object to  
16 again this witness on grounds that there is no foundation  
17 that he worked for the debtor, worked for 2425 WL, or that  
18 he has any knowledge about the transaction that we --

19 THE COURT: I don't know what he's going to  
20 testify to yet, Mr. Burks. This is all preliminary. If you  
21 have an objection to what he testifies to when he actually  
22 says something, please raise your objection, okay?

23 MR. BURKS: Yes, Your Honor.

24 THE COURT: Thank you.

25 BY MR. SHANNON:

1 Q And Mr. Wyatt, you are no longer involved in Jetall  
2 Companies or any of these entities, correct?

3 A Correct.

4 Q And when did that happen? When were you no longer  
5 involved with them?

6 A Around October 18th or October 20th of 2020.

7 Q And I guess why did you kind of leave your involvement  
8 with those entities?

9 A Well, there were a number of things. One is I started  
10 to independently investigate through business records of  
11 transactions that were being made on behalf of Mr. Choudhri.  
12 And (indiscernible) found that I was extremely uncomfortable  
13 with those transactions. He asked me to go into an  
14 arbitration trial and lie before an arbitration panel and  
15 say that he had no ownership of an entity called Balio, he  
16 never had an ownership interest in it when in fact I know he  
17 did. And I had the agency agreement where he was the  
18 principal, and I had the original. It caused a lot of rift.

19 MR. BURKS: Move to strike. He's testifying from  
20 documents not in the record. Probably based on a lot of  
21 hearsay.

22 THE COURT: He can testify on his personal  
23 knowledge. Thank you. You're overruled.

24 MR. BURKS: Yes, Your Honor.

25 BY MR. SHANNON:



1 Q And I guess in the course of those role and in the --  
2 just based on your personal knowledge from that role, did  
3 you have any knowledge of the sale of the property located  
4 at 2425 West Loop in the Galleria?

5 A I became familiar with that transaction around June  
6 2020. And the reason why I became familiar with it is that  
7 Mr. Choudhri directed me to draft a note and deed of trust  
8 for that entity. And I went back and looked at closing  
9 documents to try to figure out was there a \$14 million loan  
10 made on the property, although I had drafted these note and  
11 deeds of trust for him that he wanted to submit to Azeemeh  
12 Zaheer, sign. I went back and started looking at the  
13 closing documents and found out that there was never a loan.  
14 There was never a note.

15 Q And did you ever discuss that with Mr. Choudhri?

16 A I told him that I didn't think it was proper to try to  
17 after-the-fact create a document and file it and record it  
18 to try to get leverage in a bankruptcy case.

19 Q And the bankruptcy case you were talking about was at  
20 that time the Stage bankruptcy case, correct?

21 A Correct.

22 Q And the timing of those conversations, when would those  
23 have been?

24 A Those were in June of 2023.

25 Q Of 2023?

1 A Oh, 2020. I'm sorry.

2 Q And you said you looked at a closing statement in  
3 connection with that transaction, correct?

4 A Yes.

5 Q I'm going to pull up a document 692-4, which has been  
6 previously admitted.

7 MR. SHANNON: And Your Honor, I believe I -- you  
8 need to --

9 THE COURT: Oh, excuse me. I'll put it back  
10 (indiscernible).

11 MR. SHANNON: That's okay.

12 THE COURT: I apologize.

13 BY MR. SHANNON:

14 Q So Mr. Wyatt, I'm going to -- and I know it's small but  
15 we'll pull it up, but I'm just going to go to slide through  
16 it and tell me if this is the document that you looked at,  
17 at that time.

18 A You're going a little bit quick for me.

19 Q Okay. Let me slow down. I'll go back to the  
20 beginning.

21 A Okay. Okay. Okay. Yes.

22 Q And you reference or there is reference in this  
23 document a \$14.7 million amount. Are you aware of kind of  
24 that amount being a relevant amount?

25 A Yes.

1 Q And did you ever talk with Mr. Choudhri about that  
2 amount?

3 A We talked about it, and when he asked me to draft a --  
4 the note and deed of trust to be representative of a lien  
5 that he said he was owed money on.

6 Q And did Mr. Choudhri ever refer to that amount as  
7 anything in particular?

8 A He told it was his equity out of the closing.

9 Q And your understanding was that not a loan. It was  
10 equity. Are those things different in your mind?

11 A I worked in banking for a long time, and based on this  
12 settlement statement, the \$14 million seems to be cash paid  
13 back to the seller.

14 Q And do you have an understanding, I'm going to pull it  
15 out, of what a seller credit means in a closing statement  
16 like this or a settlement statement?

17 A I certainly haven't seen the word "credit" used.

18 Q Okay. So you talked about Mr. Choudhri asking you to  
19 create this note and deed of trust.

20 A Correct.

21 Q If there was a note that had already existed based on  
22 what was available to you at the time in your looking at the  
23 documents, would you have seen such a document that existed  
24 in 2020?

25 A Yes. I would have.

1 Q And so the fact that you -- did you see one at that  
2 time?

3 A No. I searched everywhere for it. I couldn't find it.

4 Q And so at least as of 2020, that document did not exist  
5 as far as you could tell.

6 A As far as I know, I couldn't find it anywhere. I asked  
7 him about it and he said we're just going to do the new  
8 note.

9 Q I believe you mentioned that -- or are you aware of a  
10 time in which Mr. Choudhri talked to Ms. Azeemeh Zaheer to  
11 execute a note?

12 A So --

13 MR. BURKS: So calls for hearsay, Your Honor.  
14 Classic hearsay.

15 THE COURT: I want you to respond to that.

16 MR. SHANNON: Well, I'm asking about Mr. Choudhri.  
17 Mr. Choudhri is the -- at least a vice principal, but  
18 probably the principal of the claimant. He signed the proof  
19 of claim.

20 THE COURT: I'll sustain the objection.

21 BY MR. SHANNON:

22 Q Did you ever personally hear, personally and not today  
23 and not in court, did you ever personally hear Mr. Choudhri  
24 do that?

25 MR. BURKS: Objection. Do what?

1 BY MR. SHANNON:

2 Q Pressure Ms. Zaheer to execute a note.

3 A No.

4 Q And when you -- again, just to recap, as far as you  
5 know, there was not \$14.7 million loan made as part of that  
6 2018 transaction.

7 A No.

8 MR. SHANNON: Thank you, Your Honor. No more  
9 questions, Your Honor.

10 THE COURT: Mr. Burks?

11 MR. BURKS: Thank you, Judge.

12 CROSS-EXAMINATION OF CHRISTOPHER WYATT

13 BY MR. BURKS:

14 Q When did you come onto work for -- which entity did you  
15 say you worked for, sir?

16 A Well, I was told Jetall Companies Inc.

17 Q All right. And when did you first -- establish a  
18 timeline for me. When did you first come onto work with  
19 Jetall?

20 A July 2019. Probably the first week.

21 Q So actually the transaction, correct?

22 THE COURT: What transaction, Mr. Burks?

23 BY MR. BURKS:

24 Q After the sale of the property at issue by 2425 WL to  
25 Galleria 2425 Owner, correct?

1 A Correct.

2 Q So you have no personal knowledge of what happened at  
3 the time of the transaction.

4 A When? In 2018?

5 Q Correct.

6 A No, I do not.

7 Q Well, when did you leave working for whichever entity  
8 you thought you were working for?

9 A October 2020.

10 Q October 2020.

11 A Mm-hmm.

12 Q At the time that you left -- let me rephrase that.  
13 Isn't it true that...

14 MR. BURKS: Can we see that on the screen, Your  
15 Honor? I don't want your help, but I can't turn it on.

16 THE COURT: That's fine.

17 BY MR. BURKS:

18 Q Isn't it true that you just said you have no idea what  
19 a seller credit to buyer is?

20 A That's correct.

21 Q So what do you think the \$14,730,000 is?

22 A That looks like it was paid to the seller. If you look  
23 at line 603, cash to seller \$13,718,000.

24 Q Paid to the seller by whom?

25 A The buyer as part of the closing statement. Buyer's

1 got funding. Seller.

2 Q So now that you've decided to give your opinion on  
3 that, did you hear the testimony earlier that the buyer put  
4 in no money?

5 A That's correct.

6 Q All right. Did you understand the 2018 transaction  
7 when Mr. Choudhri approached you to draft the document?

8 A Not initially, no.

9 Q Oh, but you learned afterward.

10 A After he asked me to draft a note and a deed of trust  
11 in connection with \$14 million that was never loaned. Yeah,  
12 I went back and started looking at his transaction because  
13 he sent me a voicemail message from Azeemeh Zaheer where she  
14 said, look, I'm not comfortable with this. I'm not going to  
15 sign it. I think I need a lawyer to look at it.

16 Q Okay.

17 A That's when I started to go back and look and say what  
18 is really going on here.

19 Q Isn't it true that Mr. Choudhri told you that the  
20 seller credit to buyer of \$14,730,000 was in fact a loan  
21 from WL back to the buyer?

22 A Nope.

23 Q So what is a credit to the buyer?

24 A Not sure.

25 Q Who's the seller?

1 A The seller in what this transaction?

2 Q Yeah.

3 A The seller was 2425 WL I believe.

4 Q And who was the buyer?

5 A Galleria 2425 Owner.

6 Q So the seller credits the buyer \$14,730,000, correct?

7 A I don't know. I'm not -- like I said, I don't know  
8 what that seller credit to buyer is.

9 Q Isn't that a loan?

10 A No.

11 Q You just said you didn't know what it was, sir.

12 A There's been no -- there was never any money loaned in  
13 connection with the \$14 million. This deed of trust and  
14 note that Mr. Choudhri wanted drafted in June 2023 was  
15 clearly an intent to fraudulently put a lien on this  
16 property so he could leverage in the Stage Stores  
17 bankruptcy. That's my opinion. That's the way I took it.

18 Q Isn't it true that you're basing your opinion after  
19 saying that you don't know what a seller credit to buyer is  
20 and you had no knowledge whatsoever of a transaction at the  
21 time because you weren't there?

22 A I wasn't there. You're correct.

23 Q And you don't know what a seller credit to buyer is.

24 A Nope.

25 Q But you formed your opinion.



1 A Formed my opinion because I know exactly how he works,  
2 and he was trying to put a lien --

3 THE COURT: Mr. Burks --

4 BY MR. BURKS:

5 A -- on this property that was fraudulent.

6 THE COURT: -- I'm going to -- bear with me for  
7 one second, okay? You're not the village idiot. I'm not  
8 the village idiot, okay? I can read a settlement statement.  
9 I know what a settlement statement means. You should.  
10 You're proposing an argument that has no basis in law or  
11 fact --

12 MR. BURKS: Your Honor --

13 THE COURT: -- okay? You can continue with that,  
14 and if you do I'll sanction you, okay?

15 MR. BURKS: Well, it was --

16 THE COURT: That settlement statement is pretty  
17 damn clear to me, and I think that you're on a course that  
18 I've warned you against at the beginning of the hearing.  
19 You're now crossing that line.

20 MR. BURKS: All right.

21 THE COURT: Okay?

22 MR. BURKS: I hear you.

23 THE COURT: So move along --

24 MR. BURKS: I hear you.

25 THE COURT: -- or you will not like the results.

1 MR. BURKS: I will move along and I will not cross  
2 the line.

3 THE COURT: Thank you.

4 MR. BURKS: Thank you, Your Honor. No further  
5 questions, Your Honor.

6 THE COURT: Thank you. Mr. Shannon?

7 MR. SHANNON: I have no further questions, Your  
8 Honor.

9 THE COURT: Thank you, sir. Thank you for coming.  
10 You may step down.

11 THE WITNESS: Thank you, Your Honor.

12 THE COURT: And you're excused by the way.

13 THE WITNESS: Thank you.

14 THE COURT: Mr. Shannon?

15 MR. SHANNON: No further witnesses from us, Your  
16 Honor.

17 THE COURT: Thank you. Mr. Burks?

18 MR. BURKS: Your Honor, I do not have Mr. Choudhri  
19 here and I'm not prepared to put on a case. So --

20 THE COURT: You rest?

21 MR. BURKS: -- no witnesses. I rest.

22 THE COURT: All right. Thank you. Mr. Shannon,  
23 you want to make some argument?

24 MR. SHANNON: Yes, Your Honor. And I do have a  
25 presentation that hopefully will not take too long here, but

1 I just want to summarize what the documents said. I didn't  
2 want to go through with the witnesses through all the  
3 documents, but they are admitted and I'd like to talk about  
4 what they show. If I can have the screen, Your Honor.  
5 Again, Your Honor, the evidence, and I think especially with  
6 the exhibits that we'll go through, showed what we said it  
7 would. The purported note that underlies this Claim Number  
8 7 is unenforceable, and the reason why is because there was  
9 no consideration provided in exchange.

10 I think what the evidence shows is absolutely that  
11 the note did not exist and it was not part of the May 23,  
12 2018 transaction. The seller credit, although the witnesses  
13 didn't know what it means, we'll talk about what it means  
14 and we have some case law that will talk about what it  
15 means, but we do know and Mr. Wyatt testified is that Mr.  
16 Choudhri talked about that as the equity in the property.  
17 And I believe that's what the documents are going to show.

18 The note just wasn't part of that transaction and  
19 it didn't exist 2020. Frankly, it didn't exist until 2021,  
20 and again that's going to be supported by the documents that  
21 we go through and talk about. That note was just created in  
22 2021. But again, even if that's not right, we talked about  
23 the authority to execute the recorded note. Ms. Zaheer said  
24 that Mr. Choudhri did not have authority to act on behalf of  
25 the debtor. Did not have the authority to execute documents

1 in 2018.

2 Naissance Capital Real Estate LLC was the managing  
3 member until 2021. And as the documents will show when you  
4 go through them, Galleria 2425 JV company agreement said  
5 that only the managing member could act on behalf of that JV  
6 entity, which was the sole member of the debtor. And again,  
7 Judge, there is the quasi-estoppel argument.

8 Where that money came from is obvious. It came  
9 from the funds that were made by NBK and by the mezzanine  
10 loan. And those representations were important to the other  
11 lenders, and the documents, as we'll go through that have  
12 already been admitted, show that that was important to those  
13 lenders.

14 Let's talk about the settlement statement first.  
15 It was actually attached to Claim Number 7. Mr. Burks  
16 brought it up at ECF 637-5, and it's been admitted as 692-4.  
17 First of all, why it's relevant, ECF Number 692-5 is the  
18 transcript of the January 31, 2024 hearing. Although Mr.  
19 Choudhri's not here, we do have his testimony from that  
20 hearing in front of this court in this case, it can't be  
21 considered.

22 He said in that transcript that, on Page 73, he  
23 said that the loan over the claim was based -- was "one  
24 account of what was on the closing statement the bank  
25 approved plus accrued interest," which is accounted for.

1 Again, in that same transcript in that same hearing at Page  
2 94 to the beginning of Page 95. It was Ms. Whitworth that  
3 was questioning Mr. Choudhri, and he said kind of about the  
4 different claims that he asserted. And Mr. Choudhri said  
5 that there are two totally separate things.

6 So there's three related. Let me see, four  
7 related. One is the selling entity, which is 2425 WL, which  
8 is the second lien holder. Mr. Choudhri would go on to say  
9 that it's reflected on the closing statement that the bank  
10 approved when the loan was obtained. When you actually look  
11 at the closing statement, I have an excerpt of it up on the  
12 screen, what he's referring, that \$14.7 million number, it  
13 is. It's referenced as a seller credit to the buyer.

14 But what that means is it's a reduction in the  
15 amount due to the seller, not a loan. There is case law  
16 that we put in our briefing and I have it up here, that  
17 Johnson v. Kamisi case, 2024 Delaware CP Lexis 13. It talks  
18 about -- and the whole case was about a seller credit is,  
19 and it's a reduction in the amount due the seller. We can  
20 say, look, it's still -- we're still selling the property  
21 for this, but we're going to reduce. And it makes sense in  
22 this transaction because Mr. Choudhri, whether through an  
23 agent or whatever, was on both sides of it. We heard that  
24 from the testimony.

25 There was no loan by 2425 WL indicated. When you

1 look at the lines 200 through 209, it lists NBK. It lists  
2 that \$51 million loan. It lists the \$16.1 million mezzanine  
3 loan, but it doesn't list a second lien or any loan from the  
4 seller there. And it was required to. It was -- they  
5 filled out a HUD 1 settlement statement, and there is --  
6 there are regulations on how to fill that out. There are  
7 instructions that are promulgated by regulatory agencies and  
8 we have them up here, the critical aspect of it. And  
9 there's also an exhibit.

10 We filed it just so it was in front the Court, but  
11 it has to be on Lines 204 through 209. It's supposed to  
12 indicate any financing arrangements for other new loans not  
13 listed otherwise at Line 202. And it includes financing  
14 from the seller. That's where it's supposed to be. It  
15 should also be listed in Lines 506 through 509. And again,  
16 we go back, Judge, and that is not there. It's simply not  
17 where it's supposed to be. And that's what they say when --  
18 where it was supposed to be. That's what Mr. Choudhri said  
19 it is indicated and it's not.

20 There are also the admissions and the  
21 (indiscernible) discovery that was served on the claimant  
22 here 2425 WL is at ECF 692-25. There were a number of  
23 requests for admission that we had, and it just covers that  
24 those things are not listed on there. The loans from NBK  
25 and the mezzanine lender are listed. The loan -- that loan

1 from 2425 WL is not listed. And I believe -- yeah, and it  
2 even went on in those admissions. Request Number 15 says  
3 that those regulations matter. What was deemed admitted  
4 because there was no response. Request Number 16, that it  
5 should have been listed there. That was admitted.

6 Request Number 17 that any seller financing  
7 should've been listed in Lines 204 through 209. Again, that  
8 was admitted. So the settlement statement doesn't show it  
9 as a loan. I'll also point out what the settlement  
10 statement does show is that there was cash going out in 2425  
11 WL LLC. That was the \$13.7 million. And I understand that  
12 the witnesses got confused when we were talking about 14 --  
13 you know, 13.7, 14.7, but the settlement statement is clear  
14 what happened. The settlement statement is clear, and it  
15 was attached to the proof of claim. It's what the claimant  
16 says happened.

17 That cash went out to the claimant here, so they  
18 are going to be bound by quasi estoppel. That's why they're  
19 bound. They wouldn't be bound if they didn't get anything  
20 out of it, but they did, and they used the settlement  
21 statement as part of the -- how that was induced. And it  
22 was also just -- it was signed by the claimant here through  
23 Adam Broder as you also heard in testimony.

24 Again, these are all supported by admissions as  
25 well. It has been admitted that 2425 WL received \$13.7

1 million. No actual dispute about that. It's been admitted.  
2 And it's been admitted that the source of those funds were  
3 from the loans. So that's the settlement statement and  
4 that's what they based it on, but when you actually get into  
5 the transactional documents, it tells the same story. The  
6 NBK loan agreement admitted at 692-8. I think it's also  
7 been admitted previously in this case.

8           Sections 5.26 and 6.1 they talk about other  
9 indebtedness, and they say there is no other indebtedness  
10 except for this loan, the NBK loan, and in other places it  
11 talks about the mezzanine loan. But it says that's all  
12 there can be. It is a breach of this agreement to have any  
13 other amounts owed. And while that doesn't bind the  
14 claimant necessarily, it is -- it's circumstantial evidence  
15 about what was part of that transaction.

16           There's no reason that anyone else that's part of  
17 that transaction would make it up and pretend that this loan  
18 wasn't made. They would have said that the loan was in  
19 there if it was. We don't have any reason to think that  
20 they would not put it in there. Again, that's admitted.  
21 It's admitted that the NBK loan agreement prohibits a second  
22 lien and prohibits this note that underlies Claim Number 7.

23           It goes on. There's other provisions of the NBK  
24 loan agreement. Very standard provisions that say, hey, no  
25 contractual obligations. Those contractual obligations



1 include things that would be covered by the note, by the  
2 purported note underlying Claim Number 7. Again, it's a  
3 belt-and-suspenders type of thing.

4 Also attached as part of that NBK loan agreement  
5 is a -- the borrower's organizational structure. That was  
6 part of the loan agreement. It comports exactly with what  
7 you heard in testimony today from Ms. Zaheer. That was the  
8 understanding then, it's the understanding now. That  
9 description even includes the loans that were made. It  
10 includes the senior debt. It includes the mezzanine debt.  
11 And it also includes the equity in the property right there  
12 at the top. And that's been -- at least that this is an  
13 accurate description has actually been admitted.

14 The next thing is the NBK loan memo ECF 692-7,  
15 particularly Slide 10. We didn't get to talk about it with  
16 the witness because Mr. Choudhri wasn't here, but again, it  
17 describes the loans that were taken out. It describes the  
18 loan to value. It describes that it was important to NBK  
19 that there was no lien at the debtor level, at the property  
20 level. And that even the mezzanine debt was at a parent  
21 level, and that made a difference.

22 Mr. Choudhri had talked about this loan agreement  
23 before or this loan memo before at the January 31, 2024  
24 transcript. And at that hearing that's reflected in the  
25 transcript Mr. Choudhri testified at that hearing that that

1 memo was created by the bank and it broke all of -- I'll  
2 quote it, that they did before they closed the loan, that  
3 broke all the -- a lot of the structure down. That's -- Mr.  
4 Choudhri was talking about the loan memo when he referenced  
5 that. Again, this is -- it's a common thing throughout the  
6 loan documents, the mezzanine loan agreement.

7 It talks about the mortgage lender, the mortgage  
8 borrower because again, the other debt mattered to that  
9 transaction, what other debt there mattered for a mezzanine  
10 lender especially because even unsecured debt at the  
11 subsidiary level comes before the mezzanine loan. It  
12 mattered. They talked about the mortgage borrower.

13 Particularly they talked about that the borrower,  
14 which was the JV entity, had to ensure that the mortgage  
15 borrower, which was the debtor, observe, perform, and  
16 fulfill each and every covenant, term, and provision of each  
17 mortgage loan document. Again, it's important because the  
18 requirements for that transaction -- the requirements from  
19 the mezzanine loan transaction really incorporated in the  
20 NBK loan agreement again that there was no other debt. It  
21 was important to that transaction.

22 Another section that includes that is Section  
23 4.2.1 of the mezzanine loan agreement. Same kind of idea.  
24 Talks about the mortgage borrower who is the debtor. And it  
25 says it cannot mortgage, grant, bargain, encumber, pledge,

1 assign, or transfer the property. Property was at issue in  
2 that. And again, for Claim Number 7 to be accurate, this --  
3 all these documents had to be inaccurate. They had to be  
4 hiding something that they had no reason to hide.

5 4.2.2 of the mezzanine loan agreement, same thing.  
6 It talks about leads, no leads. Although we're not  
7 challenging the deed of trust per se, the note and the deed  
8 of trust together constitute a lien. It was not a permitted  
9 encumbrance under that agreement.

10 Lastly, Judge -- or maybe not lastly, but we have  
11 the deed of trust running into a problem here. It's only  
12 letting me go one way. That's fine, Judge. When you  
13 actually look at the deed of trust, when you actually look  
14 at the document, it indicates that -- it indicates in the  
15 jurat that it is executed in 2021. Let's see if I can get  
16 this another way. We had the deed of trust up here.

17 Critically, this jurat indicates that this deed of  
18 trust was created in 2021 and it gets it right here. That  
19 is when this document was acknowledged. It's -- and frankly  
20 it's when it was created. And you can see that by the  
21 document control numbers throughout the document. This  
22 document control number is the same throughout. The jurat  
23 was at the same time as the document was created, and it  
24 purports to be of even date with the note. The note says  
25 that it's of even date.

1           It references the deed of trust in the note. And  
2   it says that it actually incorporates the terms referring  
3   the deed of trust into the note. It couldn't have done that  
4   if the deed of trust was not yet created. That's why the  
5   deed of trust is relevant. It's relevant because it's  
6   referenced in the note, and that note and deed of trust were  
7   created the same day. They were created in 2021.

8           Going as far as -- the last thing I think from the  
9   documents is going to be the signatures, one other material  
10   document. Every other material document that was related to  
11   the May 23, 2018 transaction that's signed by Azeemeh  
12   Zaheer, these two documents, and we have two of them, were  
13   executed by Ali Choudhri. And at least with the deed of  
14   trust, it was executed by Galleria West Loop Investments 2  
15   LLC. We know that they didn't become the managing member of  
16   the JV entity until 2021.

17           I think that was actually accurate. I think it  
18   was Ali Choudhri as manager of Galleria West Loop  
19   Investments 2 LLC, the managing member of the JV entity. I  
20   think that was true, but it was in 2021. The purported note  
21   also signed by Ali Choudhri doesn't say that. Is of even  
22   date. I think it was also -- I think the evidence shows it  
23   was also the same date. I think that's the only inference  
24   that can be drawn. Again, every document signed by Azeemeh  
25   Zaheer, including the settlement statement.

1           What the claimant wants you to believe is that  
2   this one exception that isn't reflected in the documents  
3   that these witnesses have testified did not exist or were  
4   not part of this 2018 transaction did not exist in 2020,  
5   that this exception -- this is the exception. We don't have  
6   any reason to believe that, Judge. And that again included  
7   documents after the May 23, 2018 transaction. The tax lien,  
8   the tax lien contract with Moussa Hussein signing it. Those  
9   were signed in 2020 again through Naissance Capital Real  
10   Estate LLC as Ms. Zaheer testified was part of that  
11   Naissance Capital Real Estate entity.

12           So from 2018 through 2020, same -- again, always  
13   Naissance Capital Real Estate signing it. These were  
14   admitted. I mean, the signatures were admitted. It was  
15   admitted that Choudhri didn't sign and give those other  
16   documents.

17           The corporate authority, Judge, as we've talked  
18   about, you heard Azeemeh Zaheer testify about, we went  
19   through some of these. Mr. Choudhri did not have authority  
20   prior to 2021. The management agreement or the 2425 JV LLC  
21   company agreement talked about the managing member and said  
22   it's the Naissance member. And it also said that only the  
23   Naissance member, only the managing member could take any  
24   actions on behalf of that JV entity. And I know this can't  
25   be a surprise because it's going to argued in our brief.

1           Again, Ms. Zaheer confirmed that, confirmed that  
2       was actually the case. But as, you know, it's reflected in  
3       the documents as well. Wasn't until 2021 that it changed as  
4       reflected in the unanimous consent at ECF 692-19 as Ms.  
5       Zaheer testified to and clarified that it was on January 18  
6       of that year that the change happened. Again, admitted  
7       through the request for admission. These can't be disputed.

8           And I think we also heard a little bit about the  
9       motive for all of this. We heard about the Stage Doors'  
10      bankruptcy. Admitted as ECF Number 692-20 is the notice of  
11      rejection that we -- that is a document that effectuated  
12      what we heard about losing that tenant. We have the  
13      document from another judge in this court, I guess former  
14      judge. So you have that in -- it's reflected in documents  
15      exactly what you heard the witnesses talk about.

16           After that is when the dispute with NBK started.  
17      The document admitted as 692-21 is when NBK did their  
18      foreclosure. This was in September of 2021, only a few  
19      months after the -- you know, after the deed of trust was  
20      actually filed, whenever it was. The petition was assigned  
21      from that litigation. It was ultimately removed up here  
22      that you've heard a lot about, Judge. That happened in  
23      September of 2021 as well, only a few months after the deed  
24      of trust was recorded.

25           The other thing that it shows is why this was

1 being done. Soon after around the same time in September of  
2 2021, 2425 WL filed a notice of foreclosure sale. They knew  
3 they were second lien, but they went and they did their  
4 notice of foreclosure sale. That's at ECF Number 692-23.  
5 The critical thing is what happened after because that was  
6 one thing. At 692-24 is an unrecorded trustee's deed. Not  
7 only did 2425 WL do their notice of foreclosure, they  
8 actually went through with it. I think they didn't record  
9 it, and that's what happened. It's an unrecorded deed right  
10 now. And that's at 692-24.

11 I think they did all that, Judge. And the reason  
12 this claim was filed was to get an advantage in this  
13 bankruptcy case. You've seen all the actions that happened  
14 in this case, and the reason for the claim was to have the  
15 guise of a junior lienholder, a junior secured creditor or  
16 potentially secured creditor and the advantage that would  
17 give in bankruptcy.

18 It was designed to say this is a serious creditor  
19 that needs to be really taken into account, and it was. It  
20 was taken into account by this court. It was taken into  
21 account by everybody. But that was the reason for it even  
22 though it was entirely wholly unsecured. Even though they  
23 weren't going to get anything in the case, that's why it was  
24 done. But at the bottom line, it is just an unenforceable  
25 claim. There is no enforceable claim against the debtor or

1 the debtor's estate, and for that reason Claim Number 7  
2 should be disallowed. Thank you, Your Honor.

3 THE COURT: Thank you. Mr. Burks?

4 MR. BURKS: Thank you, Judge. Your Honor, as I  
5 stand here now I stand in the same position I stood in two  
6 hours and eight minutes ago, and that is proof of Claim  
7 Number 7 has been cancelled and extinguished by the plan.  
8 The requested relief by the trustee is to deny the claim  
9 against the estate in full. That request I believe is moot  
10 because it's already been cancelled and extinguished.

11 With respect to the various commentary, I want to  
12 first personally apologize for taking the courses of action  
13 that angered the Court. Or concerned the Court is a better  
14 word I believe. And I do personally apologize for that.  
15 You're right. I have a zealous representation of my client  
16 in mind, and I've tried to balance that zealousness with  
17 comments the Court has made. And if I stepped on or near a  
18 line, I do apologize, Your Honor.

19 One thing, though, there was comments made, and  
20 the question becomes at 3:30 yesterday I feel on my sword.  
21 I said, you know, I've read the judge's opinion in another  
22 case. I've looked at the plan. I've looked at the fact  
23 that it's substantively consummated and in effect. Well, I  
24 don't have a claim anymore. And then after 3:30 we're still  
25 going forward. So why are we going forward? Well, I don't



1 know. But I will tell you this. It's all right for me to  
2 tell the Court that Mr. Choudhri, if he had been here, his  
3 position in filing the proof of claim was he believed that  
4 seller credit was a loan. That's what he says.

5 It's all right for me to say that. It's all right  
6 for someone to disagree or overrule that position. It's all  
7 right for me to question witnesses in support of my client's  
8 position. And I've done the best I can. Of course I'm  
9 unprepared because I came here with a cancelled and  
10 extinguished claim. So I did not and would not and could  
11 not come before you and say, Judge, I want a trial to allow  
12 my claim that's been cancelled and extinguished. I don't  
13 want to do that, Your Honor.

14 So I think the ruling here is it started with  
15 cancelled and extinguished. Everything else I don't know  
16 that you have justiciable cause of action to actually  
17 adjudicate. And I don't know what all the testimony was  
18 about. That said, I accept that there is a confirmed plan,  
19 which is subject to appeal, but which is binding on the  
20 parties that has cancelled and extinguished this claim. And  
21 I thank you for your patience, Judge, and I thank you for  
22 your time.

23 THE COURT: All right. Thank you. All right. So  
24 before the Court is the objection and proof of claim, which  
25 is at ECF Number 402. After considering the pleadings,

1 evidence, testimony, and the arguments of the parties, the  
2 Court makes the following findings of fact and conclusions  
3 of law under Federal Rules of Civil Procedure 52 as  
4 incorporated by the Federal Rules of Bankruptcy Procedure  
5 7052 and 9014. To the extent that any finding of fact is  
6 construed to be a conclusion of law, it is adopted as such.  
7 To the extent that any conclusion of law is construed to be  
8 a finding of fact, it is adopted as such.

9           The Court reserves the right to make any  
10 additional findings and conclusions as may be necessary or  
11 as requested by any party. The Court further reserves the  
12 right to supplement the findings of fact and conclusions of  
13 law and to issue a written opinion. I'm going to ask Mr.  
14 Shannon to draft proposed findings of fact and conclusions  
15 of law, and I specifically reserve the right to issue a  
16 written opinion after I've received those. All right?

17           Let me note for the record that there is a  
18 shifting of the burden of proof at various times during an  
19 objection to claim. A proof of claim has evidentiary  
20 effect. The objecting party has to come forth with  
21 sufficient evidence to overcome the evidentiary effect and  
22 then the burden moves back to the claimant.

23           I think quite clearly there is clear and  
24 convincing evidence that the claim should be disallowed, all  
25 right? The claim, which amended at ECF Claim 7-2 is for

1 22,968,231.58. The Court makes the following findings. As  
2 to the promissory note that's attached to 7-2, which is  
3 dated May 23, 2018, the Court finds that it is not part of  
4 the 2018 transaction which was the purchase of the property,  
5 which is reflected in the transactions at ECF 692-8 to 692-  
6 12.

7 The Court also finds there is no consideration for  
8 the promissory note, that it is in fact a fraudulent note,  
9 and that Mr. Choudhri at the time that it was purportedly  
10 signed had no authority to sign it.

11 I also will make the same conclusions about the  
12 deed of trust. The deed of trust, which is attached to the  
13 proof of claim, was not part of the 2018 transactions  
14 referenced by the ECF numbers I mentioned earlier 692-8 and  
15 692-12. There was no consideration for the deed of trust.  
16 There was no loan. It is in fact a fraudulent transaction.  
17 Mr. Choudhri had no authority to sign it. All right?

18 I also think by clear and convincing evidence that  
19 this is a false proof of claim, and I'm going to remind the  
20 parties that it is a criminal offense to file a false proof  
21 of claim under 18 USC 152(4). And I intend to make a  
22 criminal recommendation on this case based on the proof of  
23 claim that's been filed. I understand why Mr. Choudhri  
24 didn't show up for trial. If he had been put on the stand,  
25 he would've been crucified by the testimony that I heard

1 today.

2 And I think that more than anything, Mr. Burks, it  
3 confirms my prior opinion that I've written about, the prior  
4 opinion I've written about by Mr. Murray, that Mr.  
5 Choudhri's a person whose truth and voracity is subject to  
6 great doubt, all right? And I'll make that finding on the  
7 record. All right? So I'll enter an order after I see Mr.  
8 Shannon's proposed findings of fact and conclusions of law.  
9 That concludes the objection to Claim Number 7.

10 Mr. Shannon, let's take a short break. We'll come  
11 back with whichever claim you want to go on next. Thank  
12 you. Thank you all for appearing.

13 BAILIFF: All rise.

14 THE COURT: I'll come back at 11:30.

15 (Recess)

16 BAILIFF: All rise.

17 THE COURT: Please be seated. All right. It's  
18 11:30 a.m. and we're back on the record on Friday, September  
19 the 6th. Mr. Shannon, which claim objection do you want to  
20 take up next?

21 MR. SHANNON: Your Honor, we'll go to Claim Number  
22 22 asserted by Ali Choudhri.

23 THE COURT: All right. Thank you. You want to  
24 make an opening statement at it relates to that.

25 MR. SHANNON: Your Honor, we have talked. Me and

1 Mr. Burks have talked. He has agreed that based on the  
2 pleadings we have rebutted the presumption and that he is  
3 going to go first. He's going to agree that we have  
4 rebutted the presumption that we will --

5 THE COURT: So the burden's just back to him, so  
6 we're going to let him go first. All right. Mr. Burks, do  
7 you want to make an opening statement?

8 MR. BURKS: No opening statement, Judge. May I  
9 just -- which one are we on?

10 MR. SHANNON: 22.

11 MR. BURKS: May I just move into it, Your Honor?

12 THE COURT: Well, if you want to call witnesses.  
13 If you don't want to make an opening, then call witnesses.

14 MR. BURKS: Well, at this point before calling any  
15 witnesses, Judge, I offer into evidence Exhibits 1, 2, and  
16 3.

17 THE COURT: ECF number?

18 MR. BURKS: ECF Numbers 676-1, 2, and 3.

19 MR. MURRAY: And Your Honor, we -- the trustee  
20 objects to the admission of those exhibits at this time.

21 THE COURT: All right. Then you need a witness.

22 MR. BURKS: Your Honor, I do agree on the base of  
23 the proof of claim and on the pleadings that the burden of  
24 proof has shifted to me. I've offered my exhibits.

25 THE COURT: Call your witness.

1 MR. BURKS: I don't have a witness, and therefore

2 --

3 THE COURT: You lose.

4 MR. BURKS: -- I concede. Yes.

5 THE COURT: Okay. All right. So at this point in  
6 time --

7 MR. BURKS: I concede that --

8 THE COURT: -- based on the representation that  
9 the trustee has met their burden and the representation that  
10 you have no witnesses to call to rebut that burden, I am  
11 going to by order sustain the objection to Claims Number 21  
12 and 22 of Ali Choudhri at ECF Number 43. I'll do that --  
13 402 -- I'll do that by order. All right. Thank you.

14 MR. BURKS: Excuse me. There is one housekeeping  
15 matter. 21 is not before you today. 21 was previously  
16 withdrawn by specific terms under an order signed by you.

17 THE COURT: Mr. Shannon, do you agree with that?

18 MR. SHANNON: Yes, Your Honor.

19 THE COURT: All right. Then I'll only deny Claim  
20 Number 22. Thank you. All right. You want to move onto  
21 the next claim?

22 MR. SHANNON: Yes, Your Honor. And just so you  
23 know, for Claims Number 23 and 24 we have also agreed that  
24 the trustee has rebutted the presumption based on the papers  
25 and the proof of claim. And I suspect it's going to go the

1 same way, Your Honor.

2 THE COURT: Mr. Pope, I think you represent  
3 Jetall, do you not?

4 MR. POPE: I do, Your Honor. Except I --

5 THE COURT: Come to the podium, please.

6 MR. POPE: I do, Your Honor. And I had this  
7 morning to retain to appear on behalf of Jetall. After  
8 further looking at the proof of claims beyond the claims  
9 register, they were actually filed Jetall Capital and not  
10 Jetall Company, and I do not represent Jetall Capital. So  
11 we left it up to Mr. Burks who's representing the other  
12 party.

13 THE COURT: Mr. Burks, you going to make an  
14 appearance for Jetall Capital?

15 MR. BURKS: Yes, Your Honor. My name is Greg  
16 Burks, B-U-R-K-S, on behalf of claimant Jetall Capital, and  
17 I'm taking them one at a time. I think we're on Claim 23.  
18 Is that correct?

19 THE COURT: There are -- it's an objection to  
20 Claim 23 and 24. Claim 23 is the claim by -- it says Jetall  
21 Companies Inc. and 24 says Jetall Companies Inc. too, at  
22 least on the claims register.

23 MR. BURKS: Yeah. I don't know why it says that.  
24 They are separate claims, Your Honor.

25 THE COURT: Bear with me for one second. Let me

1 look at the original claims. The docket could be right.  
2 Jetall Capital LLC filed the first claim at 23, and Jetall  
3 Capital LLC filed the second claim at Claim Number 24. And  
4 it looks like for purposes of the docket entry, Mr. Baker is  
5 at error in how he entered the claim.

6 MR. BURKS: Probably.

7 THE COURT: Yeah.

8 MR. BURKS: With respect to 23 and 24, Your Honor,  
9 I do stipulate that on the proof of claims and pleadings the  
10 burden of proof has shifted to the claimant. I agree with  
11 Mr. RJ Shannon on that point. At this time I offer -- on  
12 Claim 23 I offer Exhibits 1 through 3.

13 THE COURT: Again, what ECF number?

14 MR. BURKS: Thank you, Judge. ECF Number 696-1,  
15 -2, -3.

16 THE COURT: Is there any objection to those  
17 exhibits?

18 MR. MURRAY: Yes, Your Honor. The trustee objects  
19 to the admission at this time.

20 THE COURT: All right. Then you need a witness,  
21 Mr. Burks.

22 MR. BURKS: We don't have a witness.

23 THE COURT: Do you have a witness or don't have a  
24 witness?

25 MR. BURKS: I do not have a witness.



1 THE COURT: All right. Then based on that  
2 announcement and your inability to overcome the presumption  
3 that you stipulate on the record, I will deny the claim --  
4 or sustain the objection to Claim Number 23. Let's move  
5 onto Claim Number 24.

6 MR. BURKS: Yes, Your Honor. Your Honor, as Mr.  
7 Shannon said a moment ago on 23, and for the record let me  
8 make it clean, Mr. Shannon stated that he and I had talked.  
9 And that based on the proof of claim, the face of the proof  
10 of claim, and the documents offered by both -- that would be  
11 offered by both parties, that he and I stipulate that the  
12 trustee has met its initial burden of proof, and that burden  
13 of proof has shifted to the claimant. Therefore, I waive  
14 opening statement and I offer Claimant's Exhibits 1, 2, 3,  
15 4, and 5 found at ECF Numbers 695-1, -2, -3, -4, -5.

16 THE COURT: Is there any stipulation to the  
17 admissibility?

18 MR. MURRAY: No, Your Honor. The trustee objects  
19 to the admission at this time.

20 THE COURT: All right. So you need a witness, Mr.  
21 Burks.

22 MR. BURKS: Your Honor, I do not have a witness.

23 THE COURT: All right. So based on that  
24 announcement, based on the fact that there are no witnesses  
25 shifting the burden back to the claimant, I'm going to

1 disallow the Claim at 24-1. I'll enter an order as soon as  
2 I step down from the bench. All right.

3 MR. BURKS: That concludes?

4 THE COURT: I think that concludes, but let me go  
5 to Mr. Shannon first to make sure there's nothing else.

6 MR. SHANNON: That is correct, Your Honor.

7 THE COURT: All right. Let me just make this  
8 comment on the record, okay? I'm really, really, really  
9 concerned when people just file claims and they think they  
10 can file a claim and there's no rational basis for it, Mr.  
11 Burks, okay? And like I said on the first claim, I think  
12 the evidence is pretty clear. I think it's not only clear,  
13 it's crystal clear.

14 And if parties are going to make false claims on  
15 the record, then they can expect that I'm going to make a  
16 referral, a very, very hearty referral to the attorney  
17 general and ask that these matters be prosecuted. So just  
18 make your clients aware that there is criminal liability for  
19 filing false proofs of claim, all right? Thank you.

20 MR. BURKS: Understood.

21 THE COURT: All right. We're adjourned. Thank  
22 you.

23 MR. SHANNON: Thank you, Your Honor.

24 (Proceedings adjourned at 11:37 a.m.)

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CERTIFICATION

I certify that the foregoing is a correct transcript from  
the electronic sound recording of the proceedings in the  
above-entitled matter.

A handwritten signature in black ink, reading "Sonya M. Ledanski Hyde". The signature is written in a cursive, flowing style. The first name "Sonya" is written in a larger, more prominent script, followed by "M. Ledanski" and "Hyde". The signature is centered horizontally within the line 6 to 8 area.

Sonya Ledanski Hyde

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Date: September 16, 2024